



## PERSONAL INFORMATION MANAGEMENT

DFS Investments handles your personal information in a safe and confidential manner. DFS Investments keeps this information on file so that you may benefit from the Company's various financial services (savings, investments, loans, etc.). This information is consulted solely by DFS Investments employees and agents who need to do so in the course of their work or in the normal process of business. You have the right to consult your file.

You may also have information corrected if you demonstrate that it is inaccurate, incomplete, ambiguous or not useful. To do so, you must send a written request to the following address:

Privacy Officer  
Desjardins Financial Security Investments Inc.  
200, rue des Commandeurs  
Lévis (Québec) G6V 6R2

DFS Investments may send information on its promotions or offer new products to those whose names appear on its client list. DFS Investments may also give its client list to another component of the Desjardins Group for the same purposes. If you do not wish to receive these offers, you may have your name removed from these lists. To do so, you must send a written request to the Privacy Officer at DFS Investments. To get more information, you can call us at 1-877-647-5435 or write to the following email address: [service@dfsinvestments.ca](mailto:service@dfsinvestments.ca).

## CHECKING WRITTEN COMMUNICATION

In the event of any error, the owner must notify DFS Investments within 30 days following the receipt of the trade confirmation or the statement of account, except any amount that may have been credited by mistake in the account.

## LEGAL ENTITY

The firm DFS Investments is a wholly owned subsidiary of Desjardins Financial Security Life Assurance Company, and is also a separate legal entity from Desjardins Financial Security Life Assurance Company.

## RELATIONSHIP BETWEEN DESJARDINS FINANCIAL SECURITY INVESTMENTS INC. AND DESJARDINS TRUST INC.

DFS Investments is the agent designated by Desjardins Trust Inc. to administer registered self-directed accounts.

## RELATIONSHIP BETWEEN DESJARDINS FINANCIAL SECURITY INVESTMENTS INC. AND NORTHWEST MUTUAL FUNDS

DFS Investments and its salespeople may from time to time recommend that you trade in securities of the NorthWest Mutual Funds (the Funds). DFS Investments and the Funds are entities of the Mouvement Desjardins. The manager of the Funds, NorthWest Mutual Funds Inc. and DFS Investments are both indirect subsidiaries of the Fédération des caisses Desjardins du Québec.

## OTHER ACTIVITIES

In addition to the sale of Mutual funds, your representative may be engaged in other activities of a financial service nature. Securities laws require that your representative disclose to you his/her other activities, the service(s) and products he/she provides, how they are compensated (if at all), and the entity through which they are provided. It is, therefore, important that you are aware of the following:

- Which activities, services, or products are being provided by your representative through DFS Investments and which are not; and
- If such activities, services, or products are not provided through DFS Investments, supervision of these other activities, services or products will not be provided by DFS Investments, and you therefore should not rely on DFS Investments for any review of these activities, services or products; and
- If such activities, services, or products are not provided through DFS Investments, DFS Investments will not be held liable for any errors or omissions as a result of these other activities or services performed by your representative.

## ELECTION OF DOMICILE

### Applicable for clients who live in Quebec and whose representatives live in another province

Whereas DFS Investments is a financial services firm registered in the Province of Quebec under the provisions of the Act Respecting the Distribution of Financial Products and Services;

Whereas DFS Investments is involved in maintaining securities accounts for holders;

The Province of Quebec resident agrees that the Province of Quebec laws shall apply to all aspects of the relationship between DFS Investments and himself/herself, in accordance with the provisions of the Hague Convention on the Law Applicable to certain rights in respect of securities held with an Intermediary.

## DISCLOSURE DOCUMENT – BORROWING MONEY TO BUY SECURITIES (LEVERAGING)

### Risks of Borrowing for Purchasing Investments

Mutual fund units and other securities may be purchased using available cash or a combination of cash and borrowed money. If cash is used to pay for the purchase in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities. The purchase of securities using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. For example, if \$100,000 of Mutual fund units are purchased and paid for with \$25,000 from available cash and \$75,000 from borrowings, and the value of the fund units declines by 10% to \$90,000, your equity interest (the difference between the value of the securities and the amount borrowed) has declined by 40%, i.e. from \$25,000 to \$15,000. It is important that an investor proposing to borrow for the purchase of securities be aware that a purchase with borrowed monies involves greater risk than a purchase using cash resources only. To what extent a purchase using borrowed monies involves undue risk is a determination to be made by each purchaser and will vary depending on the circumstances of the purchaser and the securities purchased.

### Financial Resources Required for Investments Purchased with Borrowed Funds

It is also important that the investor be aware of the terms of a loan secured by securities. The lender may require that the amount outstanding on the loan not rise above an agreed percentage of the market value of the securities. Should this occur, the borrower must pay down the loan or sell the securities so as to return the loan to the agreed percentage relationship. In our example above, the lender may require that the loan not exceed 75% of the market value of the Mutual fund units. On a decline of value of the units to \$90,000 the borrower must reduce the loan to \$67,500 (75% of \$90,000). If the borrower does not have cash available, the borrower must sell units at a loss to provide money to reduce the loan.

Money is, of course, also required to pay interest on the loan. Under these circumstances, investors who use borrowed funds to purchase their investments are advised to have adequate financial resources available both to pay interest and also to reduce the loan if the borrowing arrangements require such a payment.