

Modification Form



Desjardins
Financial Security[®]
Investments Inc.

MODIFICATION FORM – KYC UPDATE

1. ACCOUNT REGISTRATION TYPE		DEALER CODE	9697		REPRESENTATIVE CODE				BRANCH CODE			
OWNER FIRST NAME				OWNER LAST NAME				SOCIAL INSURANCE NUMBER				
JOINT OWNER FIRST NAME				JOINT OWNER LAST NAME				SOCIAL INSURANCE NUMBER				
IN TRUST FOR – FIRST NAME				IN TRUST FOR – LAST NAME				OTHER (specify)				
2. APPLICANT'S PERSONAL AND FINANCIAL INFORMATION – This information must be collected in compliance with laws and rules in force.												
BANKING INFORMATION – Optional for clients who live in provinces other than Quebec. Mandatory for Quebec residents.												
NAME OF FINANCIAL INSTITUTION (attach personalized cheque specimen)												
INSTITUTION No.		TRANSIT NUMBER		ACCOUNT NUMBER								
EMPLOYER INFORMATION – Optional for clients who live in provinces other than Quebec, except the occupation information. Mandatory for Quebec residents.												
EMPLOYER				BUSINESS TYPE				OCCUPATION				
STREET NUMBER		STREET NAME		CITY		PROVINCE		POSTAL CODE		PHONE NUMBER ()		
SPOUSE INFORMATION AND DEPENDENTS – Mandatory for clients who live in provinces other than Quebec. Optional for Quebec residents.												
FIRST NAME			LAST NAME			OCCUPATION			NUMBER OF DEPENDENTS			
INVESTMENT CHARACTERISTICS – Refer to the back of this form for definitions.												
INVESTMENT KNOWLEDGE		ANNUAL INCOME		<input type="checkbox"/> Check the box if the assets and liabilities include the spouse's.				NET WORTH				
<input type="checkbox"/> NOVICE <input type="checkbox"/> FAIR <input type="checkbox"/> GOOD <input type="checkbox"/> SOPHISTICATED		<input type="checkbox"/> LESS THAN \$30,000 <input type="checkbox"/> \$30,000 TO \$49,999 <input type="checkbox"/> \$50,000 TO \$99,999 <input type="checkbox"/> \$100,000 TO \$149,999 <input type="checkbox"/> \$150,000 AND OVER		<input type="checkbox"/> LESS THAN \$25,000 <input type="checkbox"/> \$25,000 TO \$49,999 <input type="checkbox"/> \$50,000 TO \$99,999 <input type="checkbox"/> \$100,000 TO \$299,999 <input type="checkbox"/> \$300,000 AND OVER				The calculation is mandatory except for Quebec. \$ _____ LIQUID ASSETS + \$ _____ NON-LIQUID ASSETS + \$ _____ FIXED ASSETS - \$ _____ LIABILITIES = \$ _____ NET WORTH				
3. JOINT APPLICANT'S PERSONAL AND FINANCIAL INFORMATION – If joint account, this information must be collected in compliance with laws and rules in force.												
BANKING INFORMATION – Optional for clients who live in provinces other than Quebec. Mandatory for Quebec residents.												
NAME OF FINANCIAL INSTITUTION (attach personalized cheque specimen)												
INSTITUTION No.		TRANSIT NUMBER		ACCOUNT NUMBER								
EMPLOYER INFORMATION – Optional for clients who live in provinces other than Quebec, except the occupation. Mandatory for Quebec residents.												
EMPLOYER				BUSINESS TYPE				OCCUPATION				
STREET NUMBER		STREET NAME		CITY		PROVINCE		POSTAL CODE		PHONE NUMBER ()		
SPOUSE INFORMATION AND DEPENDENTS – Mandatory for clients who live in provinces other than Quebec. Optional for Quebec residents.												
FIRST NAME			LAST NAME			OCCUPATION			NUMBER OF DEPENDENTS			

INVESTMENT CHARACTERISTICS – Refer to the back of this form for definitions.

INVESTMENT KNOWLEDGE <input type="checkbox"/> NOVICE <input type="checkbox"/> FAIR <input type="checkbox"/> GOOD <input type="checkbox"/> SOPHISTICATED	ANNUAL INCOME <input type="checkbox"/> LESS THAN \$30,000 <input type="checkbox"/> \$30,000 TO \$49,999 <input type="checkbox"/> \$50,000 TO \$99,999 <input type="checkbox"/> \$100,000 TO \$149,999 <input type="checkbox"/> \$150,000 AND OVER	<input type="checkbox"/> Check the box if the assets and liabilities include the spouse's. <input type="checkbox"/> LESS THAN \$25,000 <input type="checkbox"/> \$25,000 TO \$49,999 <input type="checkbox"/> \$50,000 TO \$99,999 <input type="checkbox"/> \$100,000 TO \$299,999 <input type="checkbox"/> \$300,000 AND OVER	NET WORTH The calculation is mandatory except for Quebec.
			\$ _____ LIQUID ASSETS
			+ \$ _____ NON-LIQUID ASSETS
			+ \$ _____ FIXED ASSETS
			- \$ _____ LIABILITIES
			= \$ _____ NET WORTH

4. PLAN INVESTMENT OBJECTIVES – Each plan must be fully completed to update the client's information.

This information must be collected in accordance with regulatory requirements. Refer to the back of this form for definitions.

PLAN KYC WITH CHANGES ACCOUNT NUMBER _____ PLAN KYC WITHOUT CHANGES ACCOUNT NUMBER _____
 OPEN INDIVIDUAL RRSP SPOUSAL RSP INDIVIDUAL RIF SPOUSAL RIF LIF LIRA RESP TFSA OTHER _____
OBJECTIVES INCOME _____ % MEDIUM TERM GROWTH _____ % LONG TERM GROWTH _____ % SPECULATIVE _____ % = 100%
RISK TOLERANCE LOW _____ % MEDIUM LOW _____ % MEDIUM _____ % MEDIUM HIGH _____ % HIGH _____ % = 100%
TIME HORIZON 0 - 3 YEARS 4 - 5 YEARS 6 - 9 YEARS 10 YEARS AND OVER

PLAN KYC WITH CHANGES ACCOUNT NUMBER _____ PLAN KYC WITHOUT CHANGES ACCOUNT NUMBER _____
 OPEN INDIVIDUAL RRSP SPOUSAL RSP INDIVIDUAL RIF SPOUSAL RIF LIF LIRA RESP TFSA OTHER _____
OBJECTIVES INCOME _____ % MEDIUM TERM GROWTH _____ % LONG TERM GROWTH _____ % SPECULATIVE _____ % = 100%
RISK TOLERANCE LOW _____ % MEDIUM LOW _____ % MEDIUM _____ % MEDIUM HIGH _____ % HIGH _____ % = 100%
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TIME HORIZON 0 - 3 YEARS 4 - 5 YEARS 6 - 9 YEARS 10 YEARS AND OVER

DEFINITIONS – Please read the following definitions of terms included in this form.

Investment knowledge describes your knowledge of the investment industry and/or experience of investment products' characteristics and inherent risks.

- **Novice:** You understand there are different things you can invest in but do not know the differences between each type. This might be your first investment.
- **Fair:** You know different types of investments and their level of risk. You own different investments.
- **Good:** You are familiar with mutual funds, bonds and equities. You understand the interaction between the risk level, the returns and the fluctuation in time of different investment types.
- **Sophisticated:** You have in-depth knowledge of the financial market, its movement and its effect on your investments.

Annual income indicates your gross annual incomes that come from your salary, renting, business and investment incomes.

Net worth

- **Liquid assets:** Assets such as cash, bank accounts and investments that are not subject to restrictions and are readily converted into cash without penalties (including taxes owing).
- **Non-liquid assets:** Investments that cannot qualify as liquid assets. Assets held in locked-in plans (e.g. pension plans) or registered plans are examples of non-liquid assets.
- **Fixed assets:** Real estate, motor vehicles, furniture and equipment are examples of fixed assets.
- **Liabilities** are deducted from your gross worth to obtain your net worth. Examples of liabilities include mortgages, car loans and lines of credit.

Objectives – This section identifies your goals and needs regarding the money invested in the plan.

- **Income:** Your primary goal is to generate income from your investments starting today or in the near future. Your focus is on capital preservation; you are less concerned with capital appreciation. Appropriate holdings would include some bond, money market, dividend and income funds.
- **Medium Term Growth:** Your focus is mainly on capital appreciation for approximately 4 to 5 years; current income from investments is not a primary goal.
- **Long Term Growth:** Your objective is pure capital appreciation for a period of time of 6 years and over; current income from investments is not a requirement.
- **Speculative:** Your objective is pure capital appreciation; current income from investments is not a requirement. This may lead you to hold a relatively high portion of funds engaging in speculative trading strategies or to hold high risk funds for lower time horizons. This objective increases the chances of substantial gains as well as substantial or total losses; therefore, only money you can afford to lose should be invested in such an account. High risk tolerance is required to identify a speculative objective for an account.

Risk tolerance – This section identifies your willingness and your ability to assume risk. Please refer to the prospectus to determine the risk level of a mutual fund.

- **Low:** You seek to minimize price fluctuations, and will accept modest returns. Low-risk mutual funds generally exhibit the least amount of price fluctuations and offer the lowest return potential.
- **Medium Low:** You seek a potential for returns generally greater than those as described in low risk and price fluctuations which generally exhibit characteristics that are in-between those described for the low and medium risk tolerance.
- **Medium:** You seek to enhance your returns, and will accept some market value fluctuations in the pursuit of this goal. If held for a number of years, medium-risk mutual funds offer a greater return potential when compared to low risk investments, but they generally exhibit greater short to medium term price fluctuations.
- **Medium High:** You seek a potential for returns generally greater than those as described in medium risk and price fluctuations which generally exhibit characteristics that are in-between those described for the medium and high risk tolerance.
- **High:** You seek the highest possible returns, and can tolerate large losses in the pursuit of this goal. High-risk mutual funds generally offer the greatest return potential when compared to medium risk investments, but they generally exhibit large price fluctuations. Examples of high risk investments may include labour-sponsored venture capital funds.

Time horizon

This section indicates the period between now and when you will need to redeem a significant portion of the money you invested in this account. Available time horizons are: 0-3 years, 4-5 years, 6-9 years, 10 years and over.

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 e-mail address: 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.

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 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.

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 & ETHICAL INVESTMENTS L.P.

DFS Investments and its salespeople may from time to time recommend that you trade in securities of the NorthWest Funds and Ethical Funds (the Funds). DFS Investments and the Funds are entities of the Desjardins Group. The manager of the Funds, Northwest & Ethical Investments L.P., 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.

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.

You have to keep in mind that if you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

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.

Where **quality** and
service meet

