

OCTOBER 2018

2018 Semi-Annual Report

DFS GUARANTEED INVESTMENT FUNDS

Financial Information as of **June 30, 2018**

DFS Guaranteed Investment Funds are established by **Desjardins Financial Security Life Assurance Company**.

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.



TABLE OF CONTENTS

DFS GUARANTEED INVESTMENT FUNDS	3
Investment Solutions	
DFS GIF – Conservative	4
DFS GIF – Moderate	10
DFS GIF – Balanced	16
DFS GIF – Growth	22
DFS GIF – Maximum Growth	28
Responsible Investment Portfolios	
DSF GIF – Conservative – Desjardins SocieTerra	36
DFS GIF – Balanced – Desjardins SocieTerra	41
DFS GIF – Growth – Desjardins SocieTerra	46
DFS GIF – Maximum Growth – Desjardins SocieTerra	51
Individual Funds	
Income	
DFS GIF – Money Market	58
DFS GIF – Income – Fiera Capital	63
DFS GIF – Canadian Bond	73
Balanced and Asset Allocation	
DFS GIF – Diversified Income – Franklin Quotential	78
DFS GIF – Balanced Income – Franklin Quotential	83
DFS GIF – Canadian Balanced – Fidelity	88
DFS GIF – U.S. Monthly Income – Fidelity	93
DFS GIF – Global Balanced – Jarislowsky Fraser	98
DFS GIF – Canadian Balanced – Fiera Capital	103
DFS GIF – Canadian Balanced – Franklin Bissett	116
DFS GIF – Balanced Growth – Franklin Quotential	122
DFS GIF – Canadian Balanced – CI Signature	127
DFS GIF – Income and Growth – CI Signature	132
DFS GIF – Growth and Income – NEI Northwest	137
DFS GIF – Global Growth – NEI Select	142
DFS GIF – Canadian Asset Allocation – CI Cambridge	147
DFS GIF – Growth – Franklin Quotential	152
Canadian Equity	
DFS GIF – Dividend Income – Franklin Bissett	157
DFS GIF – Canadian Dividend – NEI Northwest	162
DFS GIF – Canadian Equity – Jarislowsky Fraser	167
DFS GIF – Canadian Equity – Fidelity True North®	172
DFS GIF – Canadian Equity – Franklin Bissett	177
DFS GIF – Specialty Equity – NEI Northwest	182
DFS GIF – Small Cap – Franklin Bissett	187
Foreign Equity	
DFS GIF – American Equity – MFS	192
DFS GIF – American Equity Value – Desjardins	197
DFS GIF – Global Dividend – Desjardins	202
DFS GIF – Global Equity – MFS	207
DFS GIF – International Equity – MFS	212
DFS GIF – International Equity Growth – Desjardins	217
NOTES TO THE FINANCIAL STATEMENTS	222

WHAT'S A DFS GIF?

DFS stands for Desjardins Financial Security.

GIF stands for Guaranteed Investment Fund.

A Guaranteed Investment Fund (GIF), commonly known as “segregated fund” is an investment fund created and issued exclusively by life insurance companies. It is offered through Contracts which provide maturity and death benefit guarantees.

IS THIS DOCUMENT AVAILABLE ONLINE?

Yes, at desjardinslifeinsurance.com/GIFreports.

IS IT POSSIBLE TO OPT OUT OF RECEIVING PAPER COPIES OF THIS FINANCIAL REPORT?

Yes. Please send a letter to:

Desjardins Financial Security
GIF Administration
1 Complexe Desjardins
P.O. Box 9000
Montreal, Québec H5B 1H5

Or send an email to:

gifclientservice@dfs.ca

Please include your name, mailing address, telephone number, email address and client number in your request, and indicate whether your request applies to the annual financial report and/or the semi-annual financial report.



Investment Solutions

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – CONSERVATIVE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	82,870	165,845
Investments at fair value through profit or loss (FVTPL)	22,227,209	20,915,400
Premiums receivable	546	68,691
Receivable for securities sold	1,255	—
	<u>22,311,880</u>	<u>21,149,936</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	43,595	41,524
Withdrawals payable	18,532	9,643
Payable for securities purchased	7,683	153,556
	<u>69,810</u>	<u>204,723</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>22,242,070</u>	<u>20,945,213</u>
NET ASSETS PER UNIT		
Series 5	<u>5.23</u>	5.22
Series 6	<u>5.44</u>	5.42
Series 7	<u>5.55</u>	5.53
Series 8	<u>5.08</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	147	—
Distributions from underlying funds	273,102	185,441
Changes in fair value:		
Net realized gain (loss) on investments	20,349	43,165
Net unrealized gain (loss) on investments	32,407	273,166
	<u>326,005</u>	<u>501,772</u>
EXPENSES		
Management fees and guarantee charge	235,145	162,788
Operating expenses	24,622	16,833
	<u>259,767</u>	<u>179,621</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>66,238</u>	<u>322,151</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	11,351	17,679
- per unit	0.01	0.10
Average Number of Units	<u>852,534</u>	<u>185,622</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	807	264,381
- per unit	—	0.12
Average Number of Units	<u>2,520,621</u>	<u>2,285,405</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	20,818	40,091
- per unit	0.04	0.12
Average Number of Units	<u>537,992</u>	<u>325,824</u>
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	33,262	—
- per unit	0.08	—
Average Number of Units	<u>434,488</u>	<u>—</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	20,945,213	14,283,929
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>66,238</u>	322,151
Premiums		
Series 5	874,182	346,410
Series 6	1,767,978	2,088,734
Series 7	1,483,641	700,000
Series 8*	<u>2,781,192</u>	—
	6,906,993	3,135,144
Withdrawals		
Series 5	(340,237)	(223,293)
Series 6	(4,445,660)	(1,568,356)
Series 7	(875,595)	(306,033)
Series 8*	<u>(14,882)</u>	—
	(5,676,374)	(2,097,682)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>22,242,070</u>	15,643,542

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	66,238	322,151
Adjustments for:		
Net realized gain (loss)	(20,349)	(43,165)
Net unrealized gain (loss)	(32,407)	(273,166)
Non-cash distribution from investments	(273,102)	(185,441)
Proceeds from sale/maturity of investments	2,195,545	1,926,084
Investments purchased	(3,181,496)	(2,755,082)
Receivable for securities sold	(1,255)	(5,046)
Accrued expenses	2,071	3,075
Payable for securities purchased	<u>(145,873)</u>	(1,298)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(1,390,628)</u>	(1,011,888)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,975,138	3,203,821
Amounts paid on withdrawals	<u>(5,667,485)</u>	(2,198,175)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>1,307,653</u>	1,005,646
Increase (decrease) in cash/ bank overdraft	(82,975)	(6,242)
Cash (bank overdraft), beginning of period	<u>165,845</u>	75,146
CASH (BANK OVERDRAFT), END OF PERIOD	<u>82,870</u>	68,904
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	<u>147</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CONSERVATIVE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.9%)		\$	\$
BlackRock CDN US Equity Index Fund, Class D	74,297	1,545,522	1,774,803
Desjardins Canadian Equity Fund, I-Class	43,644	466,302	463,851
Desjardins Enhanced Bond Fund, I-Class	390,719	4,345,677	4,208,434
Desjardins Overseas Equity Growth Fund, I-Class	25,905	550,987	718,269
Desjardins Overseas Equity Fund, I-Class	41,679	629,850	688,161
Desjardins Short-Term Income Fund, I-Class	366,229	3,557,271	3,522,391
DGIA Canadian Bond Fund	994,015	10,122,953	9,921,213
Fidelity True North® Fund, Series O	8,952	424,030	467,263
Franklin Bissett Canadian Equity Fund, Series O	2,966	423,017	462,824
Total Investments		22,065,609	22,227,209
Other Net Assets (0.1%)			14,861
Net Assets (100%)			22,242,070

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 44.2%	
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
DESJARDINS ENHANCED BOND FUND 18.9%	
Government of Canada, 1.00%, June 1, 2027	6.2%
Government of Canada, 2.00%, June 1, 2028	5.6%
Province of Ontario, 2.80%, June 2, 2048	5.3%
Canada Housing Trust, 2.90%, June 15, 2024	2.6%
Government of Canada, 4.00%, December 1, 2031	2.5%
DESJARDINS SHORT-TERM INCOME FUND 15.8%	
Canada Housing Trust, 1.25%, December 15, 2020	11.0%
Canada Housing Trust, 2.40%, December 15, 2022	6.3%
NHA Merrill Lynch, 1.37%, November 1, 2021	4.2%
NHA Merrill Lynch, 1.42%, June 1, 2022	4.1%
Genesis Trust, 1.675%, September 17, 2018	3.1%
BLACKROCK CDN US EQUITY INDEX FUND 8.0%	
Apple	4.0%
Microsoft Corporation	3.3%
Amazon.com	3.0%
Facebook	2.0%
Berkshire Hathaway	1.6%

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage of Portfolio
DESJARDINS OVERSEAS EQUITY GROWTH FUND 3.2%	
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%
DESJARDINS OVERSEAS EQUITY FUND 3.1%	
Henkel AG & Co	3.1%
Royal Dutch Shell	2.9%
AIA Group	2.9%
Japan Tobacco	2.7%
Fresenius Medical Care	2.6%
FIDELITY TRUE NORTH® FUND 2.1%	
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
DESJARDINS CANADIAN EQUITY FUND 2.1%	
Royal Bank of Canada	6.9%
Toronto-Dominion Bank	5.9%
Suncor Energy	4.0%
Scotiabank	3.9%
Enbridge	3.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 2.1%	
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%

DFS GIF – CONSERVATIVE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To generate a consistent flow of income with an emphasis on the preservation of capital by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	10,531,193	11,696,016	—	22,227,209
TOTAL	10,531,193	11,696,016	—	22,227,209
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	9,944,056	10,971,344	—	20,915,400
TOTAL	9,944,056	10,971,344	—	20,915,400

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (80%)	1.00	181,307	162,535
S&P/TSX (6%)	3.00	40,794	36,570
MSCI World Net (14%)	3.00	95,186	85,331

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – MODERATE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	394,379	496,463
Investments at fair value through profit or loss (FVTPL)	41,466,113	34,576,611
Premiums receivable	83,123	80,308
	<u>41,943,615</u>	<u>35,153,382</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	80,800	67,535
Withdrawals payable	32,490	21,497
Payable for securities purchased	70,953	171,588
	<u>184,243</u>	<u>260,620</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>41,759,372</u>	<u>34,892,762</u>
NET ASSETS PER UNIT		
Series 5	<u>5.39</u>	5.34
Series 6	<u>5.68</u>	5.62
Series 7	<u>5.82</u>	5.75
Series 8	<u>5.10</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	758	—
Distributions from underlying funds	437,711	317,428
Changes in fair value:		
Net realized gain (loss) on investments	110,441	77,677
Net unrealized gain (loss) on investments	379,754	756,621
	<u>928,664</u>	<u>1,151,726</u>
EXPENSES		
Management fees and guarantee charge	414,958	316,586
Operating expenses	43,800	32,317
	<u>458,758</u>	<u>348,903</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>469,906</u>	<u>802,823</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	19,828	17,475
- per unit	0.07	0.14
Average Number of Units	282,444	125,401
SERIES 6		
Increase (Decrease) in Net Assets from Operations	184,179	639,501
- per unit	0.04	0.15
Average Number of Units	4,834,993	4,276,265
SERIES 7		
Increase (Decrease) in Net Assets from Operations	145,007	145,847
- per unit	0.10	0.17
Average Number of Units	1,407,466	860,437
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	120,892	—
- per unit	0.10	—
Average Number of Units	1,169,723	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	34,892,762	26,972,441
Increase (Decrease) in Net Assets from operations attributable to contract owners	469,906	802,823
Premiums		
Series 5	1,034,752	84,592
Series 6	5,730,273	3,409,893
Series 7	4,267,823	895,105
Series 8*	7,263,113	—
	18,295,961	4,389,590
Withdrawals		
Series 5	(103,088)	(68,797)
Series 6	(9,630,433)	(1,604,287)
Series 7	(1,931,299)	(34,672)
Series 8*	(234,437)	—
	(11,899,257)	(1,707,756)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	41,759,372	30,457,098

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	469,906	802,823
Adjustments for:		
Net realized gain (loss)	(110,441)	(77,677)
Net unrealized gain (loss)	(379,754)	(756,621)
Non-cash distribution from investments	(437,711)	(317,428)
Proceeds from sale/maturity of investments	3,315,437	1,863,600
Investments purchased	(9,277,033)	(4,250,436)
Receivable for securities sold	—	(34,292)
Accrued expenses	13,265	10,000
Payable for securities purchased	(100,635)	(112,984)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(6,506,966)	(2,873,015)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	18,293,146	4,319,681
Amounts paid on withdrawals	(11,888,264)	(1,668,350)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	6,404,882	2,651,331
Increase (decrease) in cash/ bank overdraft	(102,084)	(221,684)
Cash (bank overdraft), beginning of period	496,463	610,862
CASH (BANK OVERDRAFT), END OF PERIOD	394,379	389,178
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	758	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MODERATE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.3%)		\$	\$
BlackRock CDN US Equity Index Fund, Class D	241,231	5,023,955	5,762,496
Desjardins Canadian Equity Fund, I-Class	141,617	1,503,784	1,505,110
Desjardins Enhanced Bond Fund, I-Class	589,305	6,555,312	6,347,406
Desjardins Overseas Equity Growth Fund, I-Class	84,019	1,780,857	2,329,591
Desjardins Overseas Equity Fund, I-Class	135,280	2,045,706	2,233,609
Desjardins Short-Term Income Fund, I-Class	552,039	5,356,385	5,309,515
DGIA Canadian Bond Fund	1,499,060	15,260,704	14,962,047
Fidelity True North® Fund, Series O	29,028	1,374,737	1,515,180
Franklin Bissett Canadian Equity Fund, Series O	9,621	1,368,577	1,501,159
Total Investments		40,270,017	41,466,113
Other Net Assets (0.7%)			293,259
Net Assets (100%)			41,759,372

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 35.5%	
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
DESJARDINS ENHANCED BOND FUND 15.1%	
Government of Canada, 1.00%, June 1, 2027	6.2%
Government of Canada, 2.00%, June 1, 2028	5.6%
Province of Ontario, 2.80%, June 2, 2048	5.3%
Canada Housing Trust, 2.90%, June 15, 2024	2.6%
Government of Canada, 4.00%, December 1, 2031	2.5%
BLACKROCK CDN US EQUITY INDEX FUND 13.8%	
Apple	4.0%
Microsoft Corporation	3.3%
Amazon.com	3.0%
Facebook	2.0%
Berkshire Hathaway	1.6%
DESJARDINS SHORT-TERM INCOME FUND 12.7%	
Canada Housing Trust, 1.25%, December 15, 2020	11.0%
Canada Housing Trust, 2.40%, December 15, 2022	6.3%
NHA Merrill Lynch, 1.37%, November 1, 2021	4.2%
NHA Merrill Lynch, 1.42%, June 1, 2022	4.1%
Genesis Trust, 1.675%, September 17, 2018	3.1%

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage of Portfolio
DESJARDINS OVERSEAS EQUITY GROWTH FUND 5.6%	
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%
DESJARDINS OVERSEAS EQUITY FUND 5.3%	
Henkel AG & Co	3.1%
Royal Dutch Shell	2.9%
AIA Group	2.9%
Japan Tobacco	2.7%
Fresenius Medical Care	2.6%
FIDELITY TRUE NORTH® FUND 3.6%	
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
DESJARDINS CANADIAN EQUITY FUND 3.6%	
Royal Bank of Canada	6.9%
Toronto-Dominion Bank	5.9%
Suncor Energy	4.0%
Scotiabank	3.9%
Enbridge	3.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 3.6%	
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%

DFS GIF – MODERATE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To generate income while leaving room for some capital appreciation by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	20,741,570	20,724,543	—	41,466,113
TOTAL	20,741,570	20,724,543	—	41,466,113
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	17,343,346	17,233,265	—	34,576,611
TOTAL	17,343,346	17,233,265	—	34,576,611

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (65%)	1.00	274,468	219,705
S&P/TSX (10.5%)	3.00	133,011	106,473
MSCI World Net (24.5%)	3.00	310,360	248,436

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – BALANCED

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	524,371	501,798
Investments at fair value through profit or loss (FVTPL)	89,084,832	79,780,955
Premiums receivable	647,440	169,339
Receivable for securities sold	4,106	—
	<u>90,260,749</u>	<u>80,452,092</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	178,055	162,469
Withdrawals payable	245,011	53,289
Payable for securities purchased	190,158	190,605
	<u>613,224</u>	<u>406,363</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>89,647,525</u>	<u>80,045,729</u>
NET ASSETS PER UNIT		
Series 5	<u>5.59</u>	5.51
Series 6	<u>5.92</u>	5.83
Series 7	<u>6.05</u>	5.94
Series 8	<u>5.13</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	676	—
Distributions from underlying funds	829,791	601,335
Changes in fair value:		
Net realized gain (loss) on investments	265,549	196,142
Net unrealized gain (loss) on investments	1,350,294	1,980,479
	<u>2,446,310</u>	<u>2,777,956</u>
EXPENSES		
Management fees and guarantee charge	932,830	685,210
Operating expenses	97,591	67,636
	<u>1,030,421</u>	<u>752,846</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,415,889</u>	<u>2,025,110</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	58,211	19,024
- per unit	<u>0.09</u>	0.12
Average Number of Units	<u>672,844</u>	164,348
SERIES 6		
Increase (Decrease) in Net Assets from Operations	718,712	1,725,878
- per unit	<u>0.07</u>	0.19
Average Number of Units	<u>10,585,133</u>	9,256,443
SERIES 7		
Increase (Decrease) in Net Assets from Operations	219,483	280,208
- per unit	<u>0.11</u>	0.22
Average Number of Units	<u>1,980,078</u>	1,288,856
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	419,483	—
- per unit	<u>0.12</u>	—
Average Number of Units	<u>3,542,610</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	80,045,729	54,526,119
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,415,889</u>	2,025,110
Premiums		
Series 5	1,693,228	658,727
Series 6	10,051,093	10,887,139
Series 7	2,452,097	1,572,107
Series 8*	<u>22,620,116</u>	—
	36,816,534	13,117,973
Withdrawals		
Series 5	(478,813)	(75,373)
Series 6	(25,902,545)	(2,895,016)
Series 7	(1,404,904)	(1,476,800)
Series 8*	<u>(844,365)</u>	—
	(28,630,627)	(4,447,189)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>89,647,525</u>	65,222,013

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,415,889	2,025,110
Adjustments for:		
Net realized gain (loss)	(265,549)	(196,142)
Net unrealized gain (loss)	(1,350,294)	(1,980,479)
Non-cash distribution from investments	(829,791)	(601,335)
Proceeds from sale/maturity of investments	4,292,186	3,811,282
Investments purchased	(11,150,429)	(11,878,608)
Receivable for securities sold	(4,106)	—
Accrued expenses	15,586	27,385
Payable for securities purchased	(447)	(180,830)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(7,876,955)</u>	<u>(8,973,617)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	36,338,433	13,307,991
Amounts paid on withdrawals	(28,438,905)	(4,386,138)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>7,899,528</u>	<u>8,921,853</u>
Increase (decrease) in cash/ bank overdraft	22,573	(51,764)
Cash (bank overdraft), beginning of period	501,798	423,802
CASH (BANK OVERDRAFT), END OF PERIOD	<u>524,371</u>	<u>372,038</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	<u>676</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.4%)		\$	\$
BlackRock CDN US Equity Index Fund, Class D	735,733	15,231,626	17,575,091
Desjardins Canadian Equity Fund, I-Class	432,324	4,623,143	4,594,743
Desjardins Enhanced Bond Fund, I-Class	1,029,312	11,478,611	11,086,717
Desjardins Overseas Equity Growth Fund, I-Class	256,649	5,347,000	7,116,119
Desjardins Overseas Equity Fund, I-Class	413,556	6,215,977	6,828,223
Desjardins Short-Term Income Fund, I-Class	680,780	6,612,205	6,547,738
DGIA Canadian Bond Fund	2,618,020	26,690,163	26,130,328
Fidelity True North® Fund, Series O	88,586	4,187,468	4,623,992
Franklin Bissett Canadian Equity Fund, Series O	29,365	4,146,491	4,581,881
Total Investments		84,532,684	89,084,832
Other Net Assets (0.6%)			562,693
Net Assets (100%)			89,647,525

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 29.0%	
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
BLACKROCK CDN US EQUITY INDEX FUND 19.6%	
Apple	4.0%
Microsoft Corporation	3.3%
Amazon.com	3.0%
Facebook	2.0%
Berkshire Hathaway	1.6%
DESJARDINS ENHANCED BOND FUND 12.3%	
Government of Canada, 1.00%, June 1, 2027	6.2%
Government of Canada, 2.00%, June 1, 2028	5.6%
Province of Ontario, 2.80%, June 2, 2048	5.3%
Canada Housing Trust, 2.90%, June 15, 2024	2.6%
Government of Canada, 4.00%, December 1, 2031	2.5%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 7.9%	
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage of Portfolio
DESJARDINS OVERSEAS EQUITY FUND 7.6%	
Henkel AG & Co	3.1%
Royal Dutch Shell	2.9%
AIA Group	2.9%
Japan Tobacco	2.7%
Fresenius Medical Care	2.6%
DESJARDINS SHORT-TERM INCOME FUND 7.3%	
Canada Housing Trust, 1.25%, December 15, 2020	11.0%
Canada Housing Trust, 2.40%, December 15, 2022	6.3%
NHA Merrill Lynch, 1.37%, November 1, 2021	4.2%
NHA Merrill Lynch, 1.42%, June 1, 2022	4.1%
Genesis Trust, 1.675%, September 17, 2018	3.1%
FIDELITY TRUE NORTH® FUND 5.2%	
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
DESJARDINS CANADIAN EQUITY FUND 5.1%	
Royal Bank of Canada	6.9%
Toronto-Dominion Bank	5.9%
Suncor Energy	4.0%
Scotiabank	3.9%
Enbridge	3.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 5.1%	
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%

DFS GIF – BALANCED (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with an attractive balance of current income and capital appreciation by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	45,379,413	43,705,419	—	89,084,832
TOTAL	45,379,413	43,705,419	—	89,084,832
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	40,689,623	39,091,332	—	79,780,955
TOTAL	40,689,623	39,091,332	—	79,780,955

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (50%)	1.00	456,937	393,456
S&P/TSX (15%)	3.00	411,244	354,111
MSCI World Net (35%)	3.00	959,569	826,258

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	412,362	811,134
Investments at fair value through profit or loss (FVTPL)	75,810,992	64,237,964
Premiums receivable	381,463	178,186
	<u>76,604,817</u>	<u>65,227,284</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	158,086	133,439
Withdrawals payable	458,891	51,412
Payable for securities purchased	274,918	743,494
	<u>891,895</u>	<u>928,345</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>75,712,922</u>	<u>64,298,939</u>
NET ASSETS PER UNIT		
Series 5	<u>5.79</u>	5.66
Series 6	<u>6.23</u>	6.08
Series 7	<u>6.35</u>	6.19
Series 8	<u>5.16</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	318	—
Distributions from underlying funds	606,978	395,060
Changes in fair value:		
Net realized gain (loss) on investments	204,746	244,205
Net unrealized gain (loss) on investments	1,740,537	1,708,936
	<u>2,552,579</u>	<u>2,348,201</u>
EXPENSES		
Management fees and guarantee charge	818,345	529,708
Operating expenses	78,353	50,134
	<u>896,698</u>	<u>579,842</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,655,881</u>	<u>1,768,359</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	308,592	118,901
- per unit	0.14	0.13
Average Number of Units	<u>2,278,940</u>	<u>914,622</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	806,915	1,480,146
- per unit	0.11	0.24
Average Number of Units	<u>7,367,364</u>	<u>6,245,744</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	211,252	169,312
- per unit	0.16	0.26
Average Number of Units	<u>1,313,955</u>	<u>659,111</u>
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	329,122	—
- per unit	0.14	—
Average Number of Units	<u>2,331,501</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	64,298,939	41,048,895
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,655,881</u>	1,768,359
Premiums		
Series 5	5,513,086	4,482,685
Series 6	8,180,880	6,299,108
Series 7	1,021,062	1,253,093
Series 8*	<u>14,030,122</u>	—
	<u>28,745,150</u>	12,034,886
Withdrawals		
Series 5	(968,542)	(619,981)
Series 6	(17,043,236)	(2,633,975)
Series 7	(662,900)	(2,005,173)
Series 8*	<u>(312,370)</u>	—
	<u>(18,987,048)</u>	(5,259,129)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>75,712,922</u>	49,593,011

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,655,881	1,768,359
Adjustments for:		
Net realized gain (loss)	(204,746)	(244,205)
Net unrealized gain (loss)	(1,740,537)	(1,708,936)
Non-cash distribution from investments	(606,978)	(395,060)
Proceeds from sale/maturity of investments	2,742,891	4,772,761
Investments purchased	(11,763,658)	(11,137,419)
Accrued expenses	24,647	22,926
Payable for securities purchased	<u>(468,576)</u>	(131,062)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(10,361,076)</u>	(7,052,636)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	28,541,873	12,420,263
Amounts paid on withdrawals	<u>(18,579,569)</u>	(5,501,275)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>9,962,304</u>	6,918,988
Increase (decrease) in cash/ bank overdraft	(398,772)	(133,648)
Cash (bank overdraft), beginning of period	<u>811,134</u>	396,843
CASH (BANK OVERDRAFT), END OF PERIOD	<u>412,362</u>	263,195
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	<u>318</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
BlackRock CDN US Equity Index Fund, Class D	810,825	17,083,146	19,368,893
Desjardins Canadian Equity Fund, I-Class	475,532	5,077,708	5,053,958
Desjardins Enhanced Bond Fund, I-Class	645,475	7,174,139	6,952,407
Desjardins Overseas Equity Growth Fund, I-Class	282,324	6,022,221	7,828,005
Desjardins Overseas Equity Fund, I-Class	454,692	6,915,005	7,507,423
Desjardins Short-Term Income Fund, I-Class	268,735	2,609,256	2,584,690
DGIA Canadian Bond Fund	1,641,850	16,731,227	16,387,218
Fidelity True North® Fund, Series O	97,467	4,643,479	5,087,561
Franklin Bissett Canadian Equity Fund, Series O	32,307	4,631,750	5,040,837
Total Investments		70,887,931	75,810,992
Other Net Assets (-0.1%)			(98,070)
Net Assets (100%)			75,712,922

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
BLACKROCK CDN US EQUITY INDEX FUND 25.4%	
Apple	4.0%
Microsoft Corporation	3.3%
Amazon.com	3.0%
Facebook	2.0%
Berkshire Hathaway	1.6%
DGIA CANADIAN BOND FUND 21.5%	
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 10.3%	
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%
DESJARDINS OVERSEAS EQUITY FUND 9.9%	
Henkel AG & Co	3.1%
Royal Dutch Shell	2.9%
AIA Group	2.9%
Japan Tobacco	2.7%
Fresenius Medical Care	2.6%

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage of Portfolio
DESJARDINS ENHANCED BOND FUND 9.2%	
Government of Canada, 1.00%, June 1, 2027	6.2%
Government of Canada, 2.00%, June 1, 2028	5.6%
Province of Ontario, 2.80%, June 2, 2048	5.3%
Canada Housing Trust, 2.90%, June 15, 2024	2.6%
Government of Canada, 4.00%, December 1, 2031	2.5%
FIDELITY TRUE NORTH® FUND 6.7%	
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
DESJARDINS CANADIAN EQUITY FUND 6.7%	
Royal Bank of Canada	6.9%
Toronto-Dominion Bank	5.9%
Suncor Energy	4.0%
Scotiabank	3.9%
Enbridge	3.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 6.7%	
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%
DESJARDINS SHORT-TERM INCOME FUND 3.4%	
Canada Housing Trust, 1.25%, December 15, 2020	11.0%
Canada Housing Trust, 2.40%, December 15, 2022	6.3%
NHA Merrill Lynch, 1.37%, November 1, 2021	4.2%
NHA Merrill Lynch, 1.42%, June 1, 2022	4.1%
Genesis Trust, 1.675%, September 17, 2018	3.1%

DFS GIF – GROWTH (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To emphasize appreciation of capital while still generating some income by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	40,054,881	35,756,111	—	75,810,992
TOTAL	40,054,881	35,756,111	—	75,810,992

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	34,032,580	30,205,384	—	64,237,964
TOTAL	34,032,580	30,205,384	—	64,237,964

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (35%)	1.00	269,511	222,447
S&P/TSX (19.5%)	3.00	450,468	371,805
MSCI World Net (45.5%)	3.00	1,051,093	867,544

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – MAXIMUM GROWTH

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	26,406	25,862
Investments at fair value through profit or loss (FVTPL)	7,577,853	5,754,271
Premiums receivable	1,170	990
	<u>7,605,429</u>	<u>5,781,123</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	15,629	12,120
Withdrawals payable	1,471	1,053
Payable for securities purchased	538	618
	<u>17,638</u>	<u>13,791</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,587,791</u>	<u>5,767,332</u>
NET ASSETS PER UNIT		
Series 5	<u>6.03</u>	5.85
Series 6	<u>6.47</u>	6.28
Series 7	<u>6.61</u>	6.40
Series 8	<u>5.18</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Distributions from underlying funds	49,730	25,321
Changes in fair value:		
Net realized gain (loss) on investments	20,054	18,195
Net unrealized gain (loss) on investments	217,607	157,277
	<u>287,391</u>	<u>200,793</u>
EXPENSES		
Management fees and guarantee charge	77,154	40,945
Operating expenses	7,414	3,847
	<u>84,568</u>	<u>44,792</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>202,823</u>	<u>156,001</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	8,059	6,605
- per unit	<u>0.15</u>	0.24
Average Number of Units	<u>54,602</u>	27,792
SERIES 6		
Increase (Decrease) in Net Assets from Operations	119,666	125,017
- per unit	<u>0.17</u>	0.27
Average Number of Units	<u>706,411</u>	462,097
SERIES 7		
Increase (Decrease) in Net Assets from Operations	44,692	24,379
- per unit	<u>0.19</u>	0.30
Average Number of Units	<u>233,500</u>	80,211
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	30,406	—
- per unit	<u>0.16</u>	—
Average Number of Units	<u>186,662</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>5,767,332</u>	3,008,259
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>202,823</u>	156,001
Premiums		
Series 5	162,248	49,264
Series 6	1,140,531	599,267
Series 7	448,221	2,949
Series 8*	<u>1,082,221</u>	—
	<u>2,833,221</u>	651,480
Withdrawals		
Series 5	(8,834)	(122)
Series 6	(1,200,793)	(91,325)
Series 7	(4,981)	—
Series 8*	<u>(977)</u>	—
	<u>(1,215,585)</u>	(91,447)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>7,587,791</u>	3,724,293

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	202,823	156,001
Adjustments for:		
Net realized gain (loss)	(20,054)	(18,195)
Net unrealized gain (loss)	(217,607)	(157,277)
Non-cash distribution from investments	(49,730)	(25,321)
Proceeds from sale/maturity of investments	239,386	301,485
Investments purchased	(1,775,577)	(794,397)
Accrued expenses	3,509	1,537
Payable for securities purchased	(80)	53,091
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(1,617,330)</u>	(483,076)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,833,041	576,900
Amounts paid on withdrawals	(1,215,167)	(91,269)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>1,617,874</u>	485,631
Increase (decrease) in cash/ bank overdraft	544	2,555
Cash (bank overdraft), beginning of period	<u>25,862</u>	5,680
CASH (BANK OVERDRAFT), END OF PERIOD	<u>26,406</u>	8,235

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MAXIMUM GROWTH (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.9%)		\$	\$
BlackRock CDN US Equity Index Fund, Class D	99,073	2,125,094	2,366,651
Desjardins Canadian Equity Fund, I-Class	58,214	619,887	618,700
Desjardins Enhanced Bond Fund, I-Class	36,766	406,575	396,004
Desjardins Overseas Equity Growth Fund, I-Class	34,536	773,669	957,576
Desjardins Overseas Equity Fund, I-Class	55,721	867,734	920,008
Desjardins Short-Term Income Fund, I-Class	15,224	147,705	146,426
DGIA Canadian Bond Fund	93,438	946,742	932,597
Fidelity True North® Fund, Series O	11,930	575,257	622,695
Franklin Bissett Canadian Equity Fund, Series O	3,956	577,829	617,196
Total Investments		7,040,492	7,577,853
Other Net Assets (0.1%)			9,938
Net Assets (100%)			7,587,791

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
BLACKROCK CDN US EQUITY INDEX FUND 31.3%	
Apple	4.0%
Microsoft Corporation	3.3%
Amazon.com	3.0%
Facebook	2.0%
Berkshire Hathaway	1.6%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 12.6%	
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%
DGIA CANADIAN BOND FUND 12.2%	
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
DESJARDINS OVERSEAS EQUITY FUND 12.1%	
Henkel AG & Co	3.1%
Royal Dutch Shell	2.9%
AIA Group	2.9%
Japan Tobacco	2.7%
Fresenius Medical Care	2.6%

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage of Portfolio
FIDELITY TRUE NORTH® FUND 8.2%	
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
DESJARDINS CANADIAN EQUITY FUND 8.2%	
Royal Bank of Canada	6.9%
Toronto-Dominion Bank	5.9%
Suncor Energy	4.0%
Scotiabank	3.9%
Enbridge	3.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 8.1%	
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%
DESJARDINS ENHANCED BOND FUND 5.2%	
Government of Canada, 1.00%, June 1, 2027	6.2%
Government of Canada, 2.00%, June 1, 2028	5.6%
Province of Ontario, 2.80%, June 2, 2048	5.3%
Canada Housing Trust, 2.90%, June 15, 2024	2.6%
Government of Canada, 4.00%, December 1, 2031	2.5%
DESJARDINS SHORT-TERM INCOME FUND 1.9%	
Canada Housing Trust, 1.25%, December 15, 2020	11.0%
Canada Housing Trust, 2.40%, December 15, 2022	6.3%
NHA Merrill Lynch, 1.37%, November 1, 2021	4.2%
NHA Merrill Lynch, 1.42%, June 1, 2022	4.1%
Genesis Trust, 1.675%, September 17, 2018	3.1%

DFS GIF – MAXIMUM GROWTH (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To maximize the appreciation of capital while still generating some income by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	4,278,605	3,299,248	—	7,577,853
TOTAL	4,278,605	3,299,248	—	7,577,853

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	3,177,259	2,577,012	—	5,754,271
TOTAL	3,177,259	2,577,012	—	5,754,271

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (20%)	1.00	15,412	11,436
S&P/TSX (24%)	3.00	55,485	41,170
MSCI World Net (56%)	3.00	129,465	96,063

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".



Responsible Investment Portfolios

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at	June 30
	2018
	\$
ASSETS	
Current Assets	
Cash	—
Investments at fair value through profit or loss (FVTPL)	817,800
Premiums receivable	8,471
	<u>826,271</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	1,598
Withdrawals payable	127
Payable for securities purchased	8,471
	<u>10,196</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>816,075</u>
NET ASSETS PER UNIT	
Series 5	<u>5.07</u>
Series 6	<u>5.07</u>
Series 7	<u>5.08</u>
Series 8	<u>5.08</u>

STATEMENT OF COMPREHENSIVE INCOME

– unaudited	2018*
Period ended June 30	(3 months)
	\$
INCOME	
Changes in fair value:	
Net realized gain (loss) on investments	15
Net unrealized gain (loss) on investments	12,718
	<u>12,733</u>
EXPENSES	
Management fees and guarantee charge	2,770
Operating expenses	278
	<u>3,048</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,685</u>
DATA PER SERIES	
SERIES 5	
Increase (Decrease) in Net Assets from Operations	2,130
- per unit	<u>0.07</u>
Average Number of Units	<u>28,891</u>
SERIES 6	
Increase (Decrease) in Net Assets from Operations	3,335
- per unit	<u>0.08</u>
Average Number of Units	<u>43,045</u>
SERIES 7	
Increase (Decrease) in Net Assets from Operations	2,192
- per unit	<u>0.08</u>
Average Number of Units	<u>28,000</u>
SERIES 8	
Increase (Decrease) in Net Assets from Operations	2,028
- per unit	<u>0.06</u>
Average Number of Units	<u>33,620</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>9,685</u>
Premiums	
Series 5	146,404
Series 6	427,475
Series 7	140,001
Series 8	<u>329,376</u>
	<u>1,043,256</u>
Withdrawals	
Series 5	—
Series 6	(153,038)
Series 7	—
Series 8	<u>(83,828)</u>
	<u>(236,866)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>816,075</u>

STATEMENT OF CASH FLOWS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,685
Adjustments for:	
Net realized gain (loss)	(15)
Net unrealized gain (loss)	(12,718)
Proceeds from sale/maturity of investments	1,370
Investments purchased	(806,437)
Accrued expenses	1,598
Payable for securities purchased	<u>8,471</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(798,046)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	1,034,785
Amounts paid on withdrawals	<u>(236,739)</u>
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>798,046</u>
Increase (decrease) in cash/ bank overdraft	—
Cash (bank overdraft), beginning of period	<u>—</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>—</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.2%)		\$	\$
Desjardins SocieTerra Conservative Fund, I-Class	80,153	805,082	817,800
Total Investments		805,082	817,800
Other Net Assets (-0.2%)			(1,725)
Net Assets (100%)			816,075

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Desjardins SocieTerra Canadian Bond Fund	63.8%
Desjardins SocieTerra Canadian Equity Fund	8.5%
Desjardins SocieTerra American Equity Fund	7.1%
Desjardins SocieTerra Environmental Bond Fund	6.9%
NEI International Equity RS Fund	6.9%
Desjardins SocieTerra Environment Fund	4.6%
Desjardins SocieTerra Cleantech Fund	1.7%
Cash and Cash Equivalents	0.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide income and achieve a moderate level of long-term capital appreciation by investing primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (71%) and Growth (29%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following table categorizes the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	817,800	—	—	817,800
TOTAL	817,800	—	—	817,800

Transfers between Levels 1 and 2

During the period ended June 30, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

Currency Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Interest Rate Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

Benchmarks	Change in Price	Impact on Net Assets Attributable to
		Contract Owners
		June 30, 2018
	%	\$
FTSE TMX Canada Universe Bond (71%)	1.00	5,794
S&P/TSX (9%)	3.00	2,203
MSCI World Net (20%)	3.00	4,896

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – BALANCED – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	59,973	5,354
Investments at fair value through profit or loss (FVTPL)	24,433,995	22,344,405
Premiums receivable	51,832	11,436
Receivable for securities sold	—	78
	<u>24,545,800</u>	<u>22,361,273</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	51,782	48,243
Withdrawals payable	22,164	16,046
Payable for securities purchased	110,140	5,417
	<u>184,086</u>	<u>69,706</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>24,361,714</u>	<u>22,291,567</u>
NET ASSETS PER UNIT		
Series 5	<u>5.43</u>	5.38
Series 6	<u>5.44</u>	5.39
Series 7	<u>5.52</u>	5.45
Series 8	<u>5.12</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(16)	(63)
Changes in fair value:		
Net realized gain (loss) on investments	9,555	8,483
Net unrealized gain (loss) on investments	522,859	565,060
	<u>532,398</u>	<u>573,480</u>
EXPENSES		
Management fees and guarantee charge	259,389	201,084
Operating expenses	40,109	34,174
	<u>299,498</u>	<u>235,258</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>232,900</u>	<u>338,222</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	62,813	147,185
- per unit	0.05	0.11
Average Number of Units	<u>1,360,471</u>	1,374,154
SERIES 6		
Increase (Decrease) in Net Assets from Operations	58,787	151,780
- per unit	0.03	0.10
Average Number of Units	<u>1,836,362</u>	1,514,610
SERIES 7		
Increase (Decrease) in Net Assets from Operations	60,990	39,257
- per unit	0.07	0.09
Average Number of Units	<u>922,840</u>	440,803
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	50,310	—
- per unit	0.11	—
Average Number of Units	<u>477,667</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	22,291,567	15,642,469
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>232,900</u>	338,222
Premiums		
Series 5	1,262,818	528,574
Series 6	1,535,658	1,856,443
Series 7	404,487	1,721,933
Series 8*	<u>2,991,693</u>	—
	<u>6,194,656</u>	4,106,950
Withdrawals		
Series 5	(1,005,298)	(572,798)
Series 6	(3,241,764)	(357,785)
Series 7	(49,772)	(99,716)
Series 8*	<u>(60,575)</u>	—
	<u>(4,357,409)</u>	(1,030,299)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>24,361,714</u>	<u>19,057,342</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	232,900	338,222
Adjustments for:		
Net realized gain (loss)	(9,555)	(8,483)
Net unrealized gain (loss)	(522,859)	(565,060)
Proceeds from sale/maturity of investments	669,114	560,565
Investments purchased	(2,226,290)	(3,428,321)
Receivable for securities sold	78	(547)
Accrued expenses	3,539	8,300
Payable for securities purchased	<u>104,723</u>	(2,766)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(1,748,350)</u>	<u>(3,098,090)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,154,260	4,096,296
Amounts paid on withdrawals	(4,351,291)	(1,008,323)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>1,802,969</u>	<u>3,087,973</u>
Increase (decrease) in cash/bank overdraft	54,619	(10,117)
Cash (bank overdraft), beginning of period	<u>5,354</u>	9,585
CASH (BANK OVERDRAFT), END OF PERIOD	<u>59,973</u>	<u>(532)</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	<u>16</u>	63

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
SocieTerra Balanced Portfolio, I-Class	2,411,329	23,646,779	24,433,995
Total Investments		23,646,779	24,433,995
Other Net Assets (-0.3%)			(72,281)
Net Assets (100%)			24,361,714

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Desjardins SocieTerra Canadian Bond Fund	49.7%
Desjardins SocieTerra Canadian Equity Fund	13.5%
NEI International Equity RS Fund	10.9%
Desjardins SocieTerra American Equity Fund	10.7%
Desjardins SocieTerra Environment Fund	6.7%
Desjardins SocieTerra Environmental Bond Fund	5.5%
Desjardins SocieTerra Cleantech Fund	2.7%
Cash and Cash Equivalents	0.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve a balance between long-term capital appreciation and income by investing primarily in Canadian, and to a lesser extent, foreign equity and fixed-income securities and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income securities. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying funds as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (55%) and Growth (45%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	24,433,995	—	—	24,433,995
TOTAL	24,433,995	—	—	24,433,995

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	22,344,405	—	—	22,344,405
TOTAL	22,344,405	—	—	22,344,405

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Funds Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (55%)	1.00	133,989	122,604
S&P/TSX (14%)	3.00	102,319	93,625
MSCI World Net (31%)	3.00	226,564	207,312

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30
	2018
	\$
ASSETS	
Current Assets	
Cash	6,313
Investments at fair value through profit or loss (FVTPL)	1,399,328
Premiums receivable	30,318
	<u>1,435,959</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	2,956
Withdrawals payable	768
Payable for securities purchased	6,317
	<u>10,041</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,425,918</u>
NET ASSETS PER UNIT	
Series 5	<u>5.08</u>
Series 6	<u>5.08</u>
Series 7	<u>5.08</u>
Series 8	<u>5.08</u>

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Period ended June 30

	2018*
	(3 months)
	\$
INCOME	
Changes in fair value:	
Net realized gain (loss) on investments	51
Net unrealized gain (loss) on investments	20,932
	<u>20,983</u>
EXPENSES	
Management fees and guarantee charge	4,955
Operating expenses	443
	<u>5,398</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>15,585</u>
DATA PER SERIES	
SERIES 5	
Increase (Decrease) in Net Assets from Operations	7,031
- per unit	0.08
Average Number of Units	83,409
SERIES 6	
Increase (Decrease) in Net Assets from Operations	3,815
- per unit	0.05
Average Number of Units	72,085
SERIES 7	
Increase (Decrease) in Net Assets from Operations	2,332
- per unit	0.08
Average Number of Units	28,000
SERIES 8	
Increase (Decrease) in Net Assets from Operations	2,407
- per unit	0.08
Average Number of Units	29,395

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>15,585</u>
Premiums	
Series 5	497,103
Series 6	631,963
Series 7	140,001
Series 8	<u>148,940</u>
	<u>1,418,007</u>
Withdrawals	
Series 5	(799)
Series 6	(6,864)
Series 7	—
Series 8	<u>(11)</u>
	<u>(7,674)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>1,425,918</u>

STATEMENT OF CASH FLOWS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	15,585
Adjustments for:	
Net realized gain (loss)	(51)
Net unrealized gain (loss)	(20,932)
Proceeds from sale/maturity of investments	3,357
Investments purchased	(1,381,702)
Accrued expenses	2,956
Payable for securities purchased	<u>6,317</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(1,374,470)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	1,387,689
Amounts paid on withdrawals	<u>(6,906)</u>
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>1,380,783</u>
Increase (decrease) in cash/ bank overdraft	6,313
Cash (bank overdraft), beginning of period	<u>—</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>6,313</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (98.1%)		\$	\$
SocieTerra Growth Portfolio, I-Class	136,507	1,378,396	1,399,328
Total Investments		1,378,396	1,399,328
Other Net Assets (1.9%)			26,590
Net Assets (100%)			1,425,918

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Desjardins SocieTerra Canadian Bond Fund	34.9%
Desjardins SocieTerra Canadian Equity Fund	18.1%
Desjardins SocieTerra American Equity Fund	15.7%
NEI International Equity RS Fund	15.2%
Desjardins SocieTerra Environment Fund	8.5%
Desjardins SocieTerra Environmental Bond Fund	3.9%
Desjardins SocieTerra Cleantech Fund	3.5%
Cash and Cash Equivalents	0.2%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide long-term capital appreciation and to a lesser extent, income. The Fund invests primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (40%) and Growth (60%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following table categorizes the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	1,399,328	—	—	1,399,328
TOTAL	1,399,328	—	—	1,399,328

Transfers between Levels 1 and 2

During the period ended June 30, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager’s best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners
		June 30, 2018
Benchmarks	%	\$
FTSE TMX Canada Universe Bond (40%)	1.00	5,704
S&P/TSX (18%)	3.00	7,700
MSCI World Net (42%)	3.00	17,967

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 “Financial Instruments Disclosures”.

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30
	2018
	\$
ASSETS	
Current Assets	
Cash	—
Investments at fair value through profit or loss (FVTPL)	<u>618,944</u>
	<u>618,944</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	1,483
Withdrawals payable	<u>3</u>
	<u>1,486</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>617,458</u>
NET ASSETS PER UNIT	
Series 5	<u>5.10</u>
Series 6	<u>5.10</u>
Series 7	<u>5.11</u>
Series 8	<u>5.11</u>

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Period ended June 30

	2018*
	(3 months)
	\$
INCOME	
Changes in fair value:	
Net realized gain (loss) on investments	29
Net unrealized gain (loss) on investments	<u>15,226</u>
	<u>15,255</u>
EXPENSES	
Management fees and guarantee charge	2,821
Operating expenses	<u>247</u>
	<u>3,068</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>12,187</u>
DATA PER SERIES	
SERIES 5	
Increase (Decrease) in Net Assets from Operations	<u>3,132</u>
- per unit	<u>0.10</u>
Average Number of Units	<u>32,117</u>
SERIES 6	
Increase (Decrease) in Net Assets from Operations	<u>2,970</u>
- per unit	<u>0.10</u>
Average Number of Units	<u>29,072</u>
SERIES 7	
Increase (Decrease) in Net Assets from Operations	<u>3,029</u>
- per unit	<u>0.11</u>
Average Number of Units	<u>28,000</u>
SERIES 8	
Increase (Decrease) in Net Assets from Operations	<u>3,056</u>
- per unit	<u>0.11</u>
Average Number of Units	<u>28,667</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>12,187</u>
Premiums	
Series 5	171,937
Series 6	150,003
Series 7	140,001
Series 8	<u>143,334</u>
	<u>605,275</u>
Withdrawals	
Series 5	—
Series 6	(4)
Series 7	—
Series 8	—
	<u>(4)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>617,458</u>

STATEMENT OF CASH FLOWS – unaudited

Period ended June 30

	2018*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	12,187
Adjustments for:	
Net realized gain (loss)	(29)
Net unrealized gain (loss)	(15,226)
Proceeds from sale/maturity of investments	1,586
Investments purchased	(605,275)
Accrued expenses	<u>1,483</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(605,274)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	605,275
Amounts paid on withdrawals	<u>(1)</u>
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>605,274</u>
Increase (decrease) in cash/ bank overdraft	—
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>—</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.2%)		\$	\$
Desjardins SocieTerra Max Growth Fund, I-Class	60,185	603,718	618,944
Total Investments		603,718	618,944
Other Net Assets (-0.2%)			(1,486)
Net Assets (100%)			617,458

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Desjardins SocieTerra Canadian Equity Fund	23.7%
Desjardins SocieTerra American Equity Fund	22.3%
NEI International Equity RS Fund	20.1%
Desjardins SocieTerra Canadian Bond Fund	15.4%
Desjardins SocieTerra Environment Fund	11.4%
Desjardins SocieTerra Cleantech Fund	5.0%
Desjardins SocieTerra Environmental Bond Fund	1.7%
Cash and Cash Equivalents	0.4%

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve long-term capital appreciation. The Fund invests primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (20%) and Growth (80%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following table categorizes the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	618,944	—	—	618,944
TOTAL	618,944	—	—	618,944

Transfers between Levels 1 and 2

During the period ended June 30, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

Currency Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Interest Rate Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to
		Contract Owners
		June 30, 2018
Benchmarks	%	\$
FTSE TMX Canada Universe Bond (20%)	1.00	1,235
S&P/TSX (24%)	3.00	4,446
MSCI World Net (56%)	3.00	10,373

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

Individual Funds

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – MONEY MARKET

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	23,306	31,243
Investments at fair value through profit or loss (FVTPL)	32,270,015	33,511,044
Premiums receivable	106,134	334,030
	<u>32,399,455</u>	<u>33,876,317</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	33,578	35,413
Withdrawals payable	390,259	325,511
	<u>423,837</u>	<u>360,924</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>31,975,618</u>	<u>33,515,393</u>
NET ASSETS PER UNIT		
Series 1	<u>6.54</u>	6.55
Series 3	<u>6.56</u>	6.56
Series 5	<u>6.79</u>	6.78
Series 6	<u>5.04</u>	5.03
Series 7	<u>5.16</u>	5.13
Series 8	<u>5.01</u>	—
Series IGP	<u>9.88</u>	9.88

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Distributions from underlying funds	282,002	294,067
Changes in fair value:		
Net realized gain (loss) on investments	136,403	294,901
Net unrealized gain (loss) on investments	(167,988)	(403,815)
	<u>250,417</u>	<u>185,153</u>
EXPENSES		
Management fees and guarantee charge	138,262	153,215
Operating expenses	63,054	72,964
	<u>201,316</u>	<u>226,179</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>49,101</u>	<u>(41,026)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	(304)	(1,384)
- per unit	—	(0.02)
Average Number of Units	63,402	63,076
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(1,429)	(8,286)
- per unit	—	(0.02)
Average Number of Units	297,936	372,818
SERIES 5		
Increase (Decrease) in Net Assets from Operations	14,072	(27,129)
- per unit	0.01	(0.01)
Average Number of Units	2,130,873	2,674,250
SERIES 6		
Increase (Decrease) in Net Assets from Operations	25,492	(4,170)
- per unit	0.01	—
Average Number of Units	2,287,163	2,214,995
SERIES 7		
Increase (Decrease) in Net Assets from Operations	8,055	4,107
- per unit	0.03	0.01
Average Number of Units	320,456	329,466
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	3,707	—
- per unit	0.01	—
Average Number of Units	440,784	—
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	(492)	(4,164)
- per unit	—	(0.03)
Average Number of Units	134,629	146,593

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	33,515,393	36,320,834
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>49,101</u>	(41,026)
Premiums		
Series 1	2,554	173,065
Series 3	499,032	607,425
Series 5	3,340,302	2,942,896
Series 6	3,465,664	5,707,536
Series 7	1,176,902	2,057,748
Series 8*	2,919,093	—
Series IGP	2,924	31,813
	<u>11,406,471</u>	11,520,483
Withdrawals		
Series 1	(39,300)	(113,201)
Series 3	(216,510)	(212,541)
Series 5	(4,575,462)	(5,270,597)
Series 6	(6,035,387)	(4,242,020)
Series 7	(1,714,492)	(2,884,464)
Series 8*	(376,338)	—
Series IGP	(37,858)	(133,287)
	<u>(12,995,347)</u>	(12,856,110)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	31,975,618	34,944,181

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	49,101	(41,026)
Adjustments for:		
Net realized gain (loss)	(136,403)	(294,901)
Net unrealized gain (loss)	167,988	403,815
Non-cash distribution from investments	(282,002)	(294,067)
Proceeds from sale/maturity of investments	7,385,897	9,073,274
Investments purchased	(5,894,451)	(7,824,212)
Accrued expenses	(1,835)	569
Payable for securities purchased	—	(81,033)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,288,295	942,419
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	11,634,367	11,251,676
Amounts paid on withdrawals	(12,930,599)	(12,620,116)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,296,232)	(1,368,440)
Increase (decrease) in cash/ bank overdraft	(7,937)	(426,021)
Cash (bank overdraft), beginning of period	31,243	431,954
CASH (BANK OVERDRAFT), END OF PERIOD	23,306	5,933

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MONEY MARKET (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.9%)		\$	\$
DGIA Money Market Fund	3,375,560	31,777,525	32,270,015
Total Investments		31,777,525	32,270,015
Other Net Assets (-0.9%)			(294,397)
Net Assets (100%)			31,975,618

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Greater Toronto Airports Authority, Notes, July 16, 2018	8.5%
Société de transport de Montréal, Notes, July 5, 2018	6.0%
Scotiabank, Notes, September 25, 2018	4.8%
Toronto-Dominion Bank, Notes, October 29, 2018	4.1%
Ontario Treasury Bills, January 16, 2019	4.0%
BMW Canada, Floating Rate, June 14, 2019	3.7%
Inter Pipeline (Corridor), Notes, July 5, 2018	3.7%
Ontario Treasury Bills, February 6, 2019	3.5%
Toronto-Dominion Bank, Notes, October 24, 2018	3.3%
BMW Canada, 2.33%, September 26, 2018	3.0%
Royal Bank of Canada, Floating Rate, June 19, 2019	3.0%
Inter Pipeline (Corridor), Notes, July 11, 2018	3.0%
Royal Bank of Canada, Notes, August 27, 2018	3.0%
National Bank of Canada, Notes, September 6, 2018	3.0%
Toyota Credit Canada, Notes, October 2, 2018	3.0%
Honda Canada Finance, Notes, November 8, 2018	2.9%
Daimler Canada Finance, Floating Rate, July 8, 2019	2.6%
Canadian Imperial Bank of Commerce, Notes, August 31, 2018	2.6%
Canadian Imperial Bank of Commerce, Notes, September 18, 2018	2.6%
Scotiabank, Notes, November 27, 2018	2.6%
Ontario Treasury Bills, May 15, 2019	2.4%
Ontario Treasury Bills, February 13, 2019	2.4%
Daimler Canada Finance, 1.42%, October 2, 2018	2.2%
Bank of Montreal, Notes, August 14, 2018	2.2%
Ontario Treasury Bills, February 20, 2019	2.2%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a higher level of interest income than can normally be obtained from savings accounts, combined with a high level of liquidity and safety of capital.

Strategy of the Fund

To invest primarily in Canadian government treasury bills and in bankers' acceptances, which have a maximum maturity of 12 months. The Fund's modified duration may not exceed 180 days.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	32,270,015	—	32,270,015
TOTAL	—	32,270,015	—	32,270,015
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	33,511,044	—	33,511,044
TOTAL	—	33,511,044	—	33,511,044

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – MONEY MARKET (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada 91 Day Treasury Bills	0.25	27,596	94,255

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INCOME – FIERA CAPITAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018 \$	December 31 2017 \$
ASSETS		
Current Assets		
Cash	2,392	—
Investments at fair value through profit or loss (FVTPL)	51,923,208	67,358,364
Investments at fair value through profit or loss (FVTPL) pledged as collateral	24,134,480	16,617,782
Premiums receivable	231,010	82,578
Receivable for securities sold	364,786	—
Cash guarantee received for repurchase transactions	23,631,413	10,244,120
Interest, dividends and other receivables	217,708	371,890
	<u>100,504,997</u>	<u>94,674,734</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	9,766
Accrued expenses	126,670	141,422
Withdrawals payable	369,487	193,123
Payable for securities purchased	376,000	—
Commitments related to repurchase transactions	23,631,413	10,244,120
	<u>24,503,570</u>	<u>10,588,431</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>76,001,427</u>	84,086,303
NET ASSETS PER UNIT		
Series 1	<u>9.95</u>	10.01
Series 3	<u>10.57</u>	10.62
Series 5	<u>11.29</u>	11.31
Series 6	<u>5.35</u>	5.35
Series 7	<u>5.47</u>	5.46
Series 8	<u>5.08</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018 \$	2017 \$
INCOME		
Interest for attribution purposes	817,008	1,220,619
Distributions from underlying funds	261,328	89,819
Revenue from securities lending and repurchase transactions	12,692	8,728
Changes in fair value:		
Net realized gain (loss) on investments	753,849	1,786,059
Net unrealized gain (loss) on investments	(1,230,802)	(665,989)
	<u>614,075</u>	<u>2,439,236</u>
EXPENSES		
Management fees and guarantee charge	540,588	642,684
Operating expenses	249,053	303,242
	<u>789,641</u>	<u>945,926</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(175,566)</u>	1,493,310
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u>(9,373)</u>	19,685
- per unit	<u>(0.08)</u>	0.12
Average Number of Units	<u>122,342</u>	168,989
SERIES 3		
Increase (Decrease) in Net Assets from Operations	<u>(40,006)</u>	111,073
- per unit	<u>(0.06)</u>	0.14
Average Number of Units	<u>676,236</u>	810,268
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>(139,641)</u>	1,176,092
- per unit	<u>(0.03)</u>	0.18
Average Number of Units	<u>5,279,219</u>	6,408,893
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(36,872)</u>	164,760
- per unit	<u>(0.02)</u>	0.09
Average Number of Units	<u>1,668,427</u>	1,801,555
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>20,817</u>	21,700
- per unit	<u>0.04</u>	0.10
Average Number of Units	<u>469,909</u>	213,040
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>29,509</u>	—
- per unit	<u>0.08</u>	—
Average Number of Units	<u>383,560</u>	—

DFS GIF – INCOME – FIERA CAPITAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	84,086,303	98,544,686
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(175,566)</u>	1,493,310
Premiums		
Series 1	2,617	40,063
Series 3	92,754	88,400
Series 5	2,131,947	2,219,194
Series 6	1,319,438	1,675,276
Series 7	1,383,764	115,286
Series 8*	2,444,174	—
	<u>7,374,694</u>	4,138,219
Withdrawals		
Series 1	(140,338)	(465,849)
Series 3	(815,256)	(1,288,872)
Series 5	(9,389,334)	(10,804,835)
Series 6	(3,652,163)	(1,799,761)
Series 7	(437,634)	(60,235)
Series 8*	(849,279)	—
	<u>(15,284,004)</u>	(14,419,552)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>76,001,427</u>	89,756,663

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(175,566)	1,493,310
Adjustments for:		
Net realized gain (loss)	(753,849)	(1,786,059)
Net unrealized gain (loss)	1,230,802	665,989
Non-cash distribution from investments	(261,328)	(89,819)
Proceeds from sale/maturity of investments	73,559,958	140,370,318
Investments purchased	(65,857,173)	(130,251,365)
Receivable for securities sold	(364,786)	(5,303,980)
Cash guarantee received for repurchase transactions	(13,387,293)	(8,946,009)
Interest, dividends and other receivables	154,182	119,858
Accrued expenses	(14,752)	(13,285)
Commitments related to repurchase transactions	13,387,293	8,946,009
Payable for securities purchased	<u>376,000</u>	5,327,978
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>7,893,488</u>	10,532,945
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,226,262	4,252,566
Amounts paid on withdrawals	<u>(15,107,640)</u>	(14,786,798)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(7,881,378)</u>	(10,534,232)
Effect of exchange rate changes on foreign cash	48	(39)
Increase (decrease) in cash/bank overdraft	12,158	(1,326)
Cash (bank overdraft), beginning of period	<u>(9,766)</u>	(35,818)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,392</u>	(37,144)
Interest received	969,667	1,348,138
Interest paid	<u>8</u>	49

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

		Par Value	Cost	Fair Value
			\$	\$
BONDS (65.6%)				
Canadian Bonds (65.4%)				
Government of Canada (19.9%)				
Canada Housing Trust				
floating rate, 2021-09-15	CAD	1,040,000	1,050,764	1,050,916
Export Development Canada				
1.800%, 2022-09-01	CAD	175,000	174,758	171,746
Government of Canada				
2.750%, 2022-06-01	CAD	355,000	365,604	364,586
1.000%, 2027-06-01*	CAD	11,458,000	10,269,765	10,388,952
2.750%, 2048-12-01*	CAD	1,121,000	1,244,913	1,256,585
PSP Capital				
Series 7, 3.290%, 2024-04-04	CAD	345,000	330,135	357,146
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	1,255,246	1,138,421	1,490,824
			<u>14,574,360</u>	<u>15,080,755</u>
Provincial Governments and Crown Corporations (27.8%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	362,000	362,000	361,488
Hydro-Québec				
stripped, 2029-02-15	CAD	29,000	21,118	21,099
stripped, 2029-08-15	CAD	29,000	20,761	20,727
stripped, 2030-02-15	CAD	28,000	19,746	19,702
stripped, 2030-08-15	CAD	27,000	18,658	18,699
stripped, 2031-02-15	CAD	27,000	18,384	18,375
stripped, 2031-08-15	CAD	26,000	17,379	17,422
stripped, 2032-02-15	CAD	26,000	17,151	17,126
stripped, 2032-08-15	CAD	26,000	16,784	16,849
Ontario Infrastructure				
4.700%, 2037-06-01	CAD	80,000	71,858	96,564
Ontario School Boards Financing				
Private Placement, Series 06A1, 5.070%, 2031-04-18	CAD	469,047	420,793	509,689
Ornge Issuer Trust				
5.727%, 2034-06-11	CAD	250,890	229,718	288,781
Province of Alberta				
3.300%, 2046-12-01	CAD	121,000	127,081	127,954
3.050%, 2048-12-01	CAD	401,000	397,749	406,562
Province of New Brunswick				
3.100%, 2048-08-14	CAD	102,000	103,086	100,617
Province of Newfoundland and Labrador				
3.700%, 2048-10-17	CAD	510,000	546,490	561,328
Province of Ontario				
2.600%, 2027-06-02*	CAD	8,976,000	8,713,415	8,824,624
3.450%, 2045-06-02	CAD	2,008,000	2,146,532	2,166,799
2.900%, 2046-12-02*	CAD	580,000	552,335	567,087
2.800%, 2048-06-02*	CAD	3,470,000	3,254,331	3,332,832
Province of Québec				
1.650%, 2022-03-03	CAD	429,000	428,550	419,510
3.500%, 2045-12-01	CAD	810,000	834,487	889,483
3.500%, 2048-12-01	CAD	8,000	8,719	8,865

* Securities pledged as collateral, in part or in whole, through the securities lending program.

DFS GIF – INCOME – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

		Par Value	Cost	Fair Value
			\$	\$
Provincial Governments and Crown Corporations (cont.)				
Province of Saskatchewan				
3.900%, 2045-06-02	CAD	550,000	650,727	641,559
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	287,000	238,639	347,129
Series B, 5.395%, 2040-02-22	CAD	884,000	879,524	1,152,910
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	178,000	178,000	177,622
			<u>20,294,015</u>	<u>21,131,402</u>
Corporations (17.7%)				
Bank of Montreal				
2.700%, 2024-09-11	CAD	587,000	586,924	576,887
3.340%, (floating rate from 2020-12-08), 2025-12-08	CAD	375,000	374,861	377,837
Bell Canada				
3.600%, 2027-09-29	CAD	34,000	34,144	34,033
4.750%, 2044-09-29	CAD	59,000	63,210	62,692
Blackbird Infrastructure 407 General Partners				
Series B, 1.713%, (floating rate from 2020-01-08), 2021-10-08	CAD	229,000	227,216	225,989
Brookfield Asset Management				
3.800%, 2027-03-16	CAD	58,000	57,470	57,772
Canadian Imperial Bank of Commerce				
3.420%, (floating rate from 2021-01-26), 2026-01-26	CAD	364,000	365,284	366,834
Canadian Tire Corporation				
3.167%, 2023-07-06	CAD	376,000	376,000	377,679
Canadian Utilities				
4.543%, 2041-10-24	CAD	187,000	208,646	216,554
4.722%, 2043-09-09	CAD	101,000	113,887	120,592
4.085%, 2044-09-02	CAD	91,000	93,197	99,291
3.964%, 2045-07-27	CAD	310,000	323,928	332,475
3.763%, 2046-11-19	CAD	45,000	45,000	46,747
Capital City Link				
Series A, 4.386%, 2046-03-31	CAD	452,143	405,479	490,896
CHIP Mortgage Trust				
3.663%, 2038-09-25	CAD	600	574	602
CSS (FSCC) Partnership				
6.915%, 2042-07-31	CAD	93,268	107,677	123,192
Daimler Canada Finance				
3.050%, 2022-05-16	CAD	357,000	356,946	357,660
Enbridge				
3.200%, 2027-06-08	CAD	140,000	131,744	133,624
4.570%, 2044-03-11	CAD	100,000	92,744	100,676
Great-West Lifeco				
3.337%, 2028-02-28	CAD	444,000	444,000	448,298
5.998%, 2039-11-16	CAD	74,000	96,945	98,648
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	801,000	921,194	1,074,952
IGM Financial				
3.440%, 2027-01-26	CAD	263,000	262,824	262,079
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	193,985	179,298	242,837

DFS GIF – INCOME – FIERA CAPITAL (continued)

		Par Value	Cost	Fair Value
			\$	\$
MONEY MARKET SECURITIES (0.2%)				
Canada Treasury Bills				
2018-09-20	CAD	180,000	179,518	179,518
Total Investments (100.1%)			<u>73,994,076</u>	<u>76,057,688</u>
Other Net Assets (-0.1%)				<u>(56,261)</u>
Net Assets (100%)				<u>76,001,427</u>

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
FIERA ACTIVE SHORT TERM CANADIAN MUNICIPAL BOND FUND 34.3%	
Ville de Saint-Jérôme, 1.85%, September 14, 2021	2.2%
City of Magog, 2.00%, September 2, 2020	1.5%
Province of Ontario, 2.10%, September 8, 2019	1.3%
Société de transport de Laval, 2.30%, November 15, 2022	1.2%
City of Beloeil, 2.00%, September 8, 2020	0.9%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide above-average interest income with some potential for capital growth by investing primarily in bonds and other interest-bearing instruments of Canadian federal and provincial governments and investment-grade corporations.

Strategy of the Fund

To place emphasis primarily on medium and long-term maturities. Such maturities normally provide higher returns and better potential for capital gains but also higher variability of performance during periods of rapidly changing interest rates.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Bonds	34,874,577	14,956,266	—	49,830,843
Investment Funds	—	26,047,327	—	26,047,327
Money Market Securities	179,518	—	—	179,518
TOTAL	35,054,095	41,003,593	—	76,057,688
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Bonds	43,887,222	27,679,213	—	71,566,435
Investment Funds	—	12,334,849	—	12,334,849
Money Market Securities	74,862	—	—	74,862
TOTAL	43,962,084	40,014,062	—	83,976,146

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Currency Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at June 30, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Interest Rate Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Contract Owners, had prevailing interest rates changed by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Total	Impact on Net Assets Attributable to Contract Owners
	\$	\$	\$	\$	\$	\$
June 30, 2018	1,232,826	3,776,189	23,078,039	21,925,699	50,012,753	992,560
December 31, 2017	6,674,059	18,439,047	20,167,468	26,350,957	71,631,531	1,323,425

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Concentration Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables summarize the concentration risk, as a percentage of the Net Assets Attributable to Contract Owners:

June 30, 2018		December 31, 2017	
Market Segment	%	Market Segment	%
Canadian Bonds		Canadian Bonds	
Provincial Governments and Crown Corporations	27.8	Provincial Governments and Crown Corporations	29.2
Government of Canada	19.9	Corporations	27.6
Corporations	17.7	Government of Canada	24.4
Income Investment Funds	34.3	Municipalities and Semi-Public Institutions	3.7
U.S. Bonds	0.2	Income Investment Funds	14.7
Money Market Securities	0.2	U.S. Bonds	0.2
Other Net Assets	(0.1)	Money Market Securities	0.1
		Other Net Assets	0.1
TOTAL	100	TOTAL	100

Price Risk

The Fund may trade in financial instruments and take positions in over-the-counter instruments.

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
	%	\$	\$
FTSE TMX Canada Universe Bond	1.00	741,864	774,872

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Credit Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Fund's credit risk is mainly concentrated in fixed-income securities. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Portfolio's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed Income Securities	
	June 30, 2018	December 31, 2017
	%	%
AAA	30	30
AA	41	38
A	15	17
BBB	14	11
Not Rated	—	4
TOTAL	100	100

Securities Lending and Repurchase Transactions

As part of its securities lending against cash and repurchase transactions, the Fund is exposed to counterparty credit risk.

The carrying amount of financial assets lent part of repurchase transaction is:

	\$
June 30, 2018	23,566,645
December 31, 2017	10,208,819

As part of its reverse repurchase transactions, the fund is permitted to sell or repledge in the absence of default the financial assets held as collateral.

The fair value of those financial assets is:

	\$
June 30, 2018	6,734,864
December 31, 2017	2,076,041

The fair value of financial assets accepted as collateral which have been sold or repledged totalled:

	\$
June 30, 2018	47,260
December 31, 2017	25,568

These financial assets were received as collateral as part of transactions involving reverse repurchase agreements.

Liquidity Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

DERECOGNITION OF FINANCIAL ASSETS**Securities Lending and Repurchase Transactions**

As part of transactions involving securities lending or repurchase transactions, the Fund transfers financial assets under terms and conditions providing for their future repurchase. These financial assets remain recognized in the "Investments at fair value through profit or loss pledged as collateral" of the Statement of Financial Position as the Fund retains substantially all the risks and rewards related to these assets.

	June 30, 2018	December 31, 2017
	\$	\$
Investments at FVTPL pledged as collateral	24,134,480	16,617,782
Value of Collateral received	24,617,169	16,950,139

The Funds require collateral in the form of cash or such other securities as may be acceptable to Desjardins Financial Security and that have an aggregate value of no less than 102% of the loaned securities fair value.

The following table presents the carrying amount and the fair value of financial assets transferred by the Fund but not derecognized as well as the related liabilities recognized in "Commitments related to repurchase transactions" and "Commitments related to securities lending" of the Statement of Financial Position.

	June 30, 2018	December 31, 2017
	Fair Value*	Fair Value*
	\$	\$
Financial assets	23,566,645	10,208,819
Related liabilities	23,583,888	10,218,183

*The fair value equals carrying amount.

RECONCILIATION OF INCOME FROM SECURITIES LENDING AND REPURCHASE TRANSACTIONS (Note 2)

The following table shows a reconciliation of the total income generated from securities lending transactions of the Fund and the revenue from securities lending and repurchase transactions disclosed in the Fund's Statement of Comprehensive Income.

	June 30, 2018		June 30, 2017	
	\$	%	\$	%
Total Income	21,153	100	14,547	100
Net Income received by the Fund	12,692	60	8,728	60
Net Income received by Desjardins Trust	8,461	40	5,819	40

DFS GIF – CANADIAN BOND

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	8,662
Investments at fair value through profit or loss (FVTPL)	33,385,901	37,281,069
Premiums receivable	38,267	22,756
Receivable for securities sold	156,067	13,982
	33,580,235	37,326,469
LIABILITIES		
Current Liabilities		
Bank overdraft	136,855	—
Accrued expenses	52,304	59,173
Withdrawals payable	131,536	107,019
	320,695	166,192
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	33,259,540	37,160,277
NET ASSETS PER UNIT		
Series 5	5.05	5.07
Series 6	5.08	5.09
Series 7	5.15	5.15
Series 8	5.07	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Distributions from underlying funds	490,150	505,496
Changes in fair value:		
Net realized gain (loss) on investments	(97,817)	4,142
Net unrealized gain (loss) on investments	(239,680)	403,336
	152,653	912,974
EXPENSES		
Management fees and guarantee charge	223,272	250,903
Operating expenses	103,107	120,294
	326,379	371,197
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	(173,726)	541,777
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(150,216)	453,736
- per unit	(0.03)	0.07
Average Number of Units	5,555,496	6,499,111
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(39,636)	84,640
- per unit	(0.03)	0.07
Average Number of Units	1,226,193	1,173,404
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(204)	3,401
- per unit	—	0.09
Average Number of Units	67,918	37,931
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	16,330	—
- per unit	0.08	—
Average Number of Units	204,202	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BOND (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	37,160,277	40,038,070
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(173,726)</u>	541,777
Premiums		
Series 5	584,411	1,576,282
Series 6	981,576	1,674,638
Series 7	7,521	88,059
Series 8*	<u>1,145,561</u>	—
	2,719,069	3,338,979
Withdrawals		
Series 5	(4,284,792)	(4,666,132)
Series 6	(2,133,281)	(746,675)
Series 7	(16,698)	(76,021)
Series 8*	<u>(11,309)</u>	—
	(6,446,080)	(5,488,828)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>33,259,540</u>	38,429,998

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(173,726)	541,777
Adjustments for:		
Net realized gain (loss)	97,817	(4,142)
Net unrealized gain (loss)	239,680	(403,336)
Non-cash distribution from investments	(490,150)	(505,496)
Proceeds from sale/maturity of investments	4,567,344	3,712,189
Investments purchased	(519,523)	(1,218,179)
Receivable for securities sold	(142,085)	(26,696)
Accrued expenses	(6,869)	(1,719)
Payable for securities purchased	—	81,308
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>3,572,488</u>	2,175,706
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,703,558	3,502,332
Amounts paid on withdrawals	(6,421,563)	(5,590,041)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(3,718,005)</u>	(2,087,709)
Increase (decrease) in cash/ bank overdraft	(145,517)	87,997
Cash (bank overdraft), beginning of period	8,662	6,230
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(136,855)</u>	94,227

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
DGIA Canadian Bond Fund	3,344,962	34,019,032	33,385,901
Total Investments		34,019,032	33,385,901
Other Net Assets (-0.4%)			(126,361)
Net Assets (100%)			33,259,540

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Canada Housing Trust, 1.15%, December 15, 2021	5.1%
Canada Housing Trust, 2.40%, December 15, 2022	3.7%
NHA Merrill Lynch, 1.30%, August 1, 2021	3.7%
Government of Canada, 5.00%, June 1, 2037	2.4%
Province of Québec, 3.75%, September 1, 2024	2.3%
Province of Ontario, 6.50%, March 8, 2029	2.2%
Canada Housing Trust, 1.25%, December 15, 2020	2.2%
Province of Ontario, 2.60%, June 2, 2025	2.1%
First National Financial, 2.39%, May 1, 2023	2.0%
NHA Merrill Lynch, 1.42%, June 1, 2022	1.9%
Province of Ontario, 4.65%, June 2, 2041	1.8%
NHA Merrill Lynch, 1.37%, November 1, 2021	1.8%
Province of Ontario, 2.90%, June 2, 2028	1.7%
Toronto-Dominion Bank, 1.994%, March 23, 2022	1.7%
Royal Bank of Canada, 1.92%, July 17, 2020	1.6%
Province of Québec, 3.50%, December 1, 2045	1.6%
CPP Investment Board, 3.00%, June 15, 2028	1.6%
NHA Merrill Lynch, 1.89%, September 1, 2022	1.5%
Financement-Québec, 5.25%, June 1, 2034	1.4%
Government of Canada, 2.00%, June 1, 2028	1.3%
Province of Ontario, 3.45%, June 2, 2045	1.3%
Canada Housing Trust, 1.90%, September 15, 2026	1.3%
Canada Housing Trust, 1.95%, December 15, 2025	1.2%
Province of Ontario, 2.90%, December 2, 2046	1.1%
Government of Canada, 4.00%, June 1, 2041	1.1%

DFS GIF – CANADIAN BOND (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide regular income and capital security by investing in a portfolio of fixed-income securities from the Canadian bond market.

Strategy of the Fund

This Fund, actively managed, aims to provide regular income and capital security by investing in a portfolio of fixed-income securities from the Canadian bond market. The Fund employs a fundamental investment approach targeting a consistent allocation of value added sources. The strategy seeks to add value through management of duration, yield curve and credit risk.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	33,385,901	—	33,385,901
TOTAL	—	33,385,901	—	33,385,901
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	37,281,069	—	37,281,069
TOTAL	—	37,281,069	—	37,281,069

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond	1.00	332,595	371,603

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	171,235,252	186,153,228
Premiums receivable	113,807	—
Receivable for securities sold	143,440	19,558
	<u>171,492,499</u>	<u>186,172,786</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	61,187	7,836
Accrued expenses	409,087	446,910
Withdrawals payable	443,472	223,471
	<u>913,746</u>	<u>678,217</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>170,578,753</u>	<u>185,494,569</u>
NET ASSETS PER UNIT		
Series 3	<u>7.38</u>	7.46
Series 5	<u>7.56</u>	7.63
Series 6	<u>5.38</u>	5.43
Series 7	<u>5.50</u>	5.54
Series 8	<u>5.03</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(127)	(522)
Changes in fair value:		
Net realized gain (loss) on investments	2,549,267	2,415,693
Net unrealized gain (loss) on investments	(1,666,719)	3,993,700
	<u>882,421</u>	<u>6,408,871</u>
EXPENSES		
Management fees and guarantee charge	2,068,721	2,298,393
Operating expenses	460,450	522,295
	<u>2,529,171</u>	<u>2,820,688</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(1,646,750)</u>	<u>3,588,183</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(52,861)	94,011
- per unit	(0.08)	0.13
Average Number of Units	655,269	749,970
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(1,292,017)	2,836,696
- per unit	(0.07)	0.14
Average Number of Units	17,753,475	20,482,801
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(331,314)	577,434
- per unit	(0.06)	0.10
Average Number of Units	5,336,676	5,872,787
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(31,447)	80,042
- per unit	(0.03)	0.11
Average Number of Units	1,070,923	754,023
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	60,889	—
- per unit	0.04	—
Average Number of Units	1,722,250	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	185,494,569	199,414,133
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(1,646,750)</u>	3,588,183
Premiums		
Series 3	115,618	263,129
Series 5	6,097,984	7,808,683
Series 6	2,966,648	4,053,981
Series 7	357,189	884,264
Series 8*	10,089,561	—
	<u>19,627,000</u>	13,010,057
Withdrawals		
Series 3	(473,472)	(544,863)
Series 5	(17,921,427)	(20,515,989)
Series 6	(13,121,567)	(2,778,806)
Series 7	(730,320)	(73,478)
Series 8*	(649,280)	—
	<u>(32,896,066)</u>	(23,913,136)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>170,578,753</u>	192,099,237

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(1,646,750)	3,588,183
Adjustments for:		
Net realized gain (loss)	(2,549,267)	(2,415,693)
Net unrealized gain (loss)	1,666,719	(3,993,700)
Proceeds from sale/maturity of investments	16,722,434	15,951,803
Investments purchased	(921,910)	(2,286,743)
Receivable for securities sold	(123,882)	(87,366)
Accrued expenses	(37,823)	(9,858)
Payable for securities purchased	—	(99,805)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>13,109,521</u>	10,646,821
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	19,513,193	12,974,703
Amounts paid on withdrawals	(32,676,065)	(23,758,885)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(13,162,872)</u>	(10,784,182)
Increase (decrease) in cash/ bank overdraft	(53,351)	(137,361)
Cash (bank overdraft), beginning of period	(7,836)	40,306
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(61,187)</u>	(97,055)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	127	522

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Franklin Quotential Diversified Income Portfolio	22,620,245	144,263,633	171,235,252
Total Investments		144,263,633	171,235,252
Other Net Assets (-0.4%)			(656,499)
Net Assets (100%)			170,578,753

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Core Plus Bond Fund	21.7%
Franklin Bissett Canadian Government Bond Fund	17.4%
Franklin Bissett Canadian Short Term Bond Fund	9.3%
Cash and Cash Equivalents	6.8%
Templeton Global Bond Fund	6.5%
Franklin Strategic Income Fund	6.1%
Franklin Bissett Canadian Dividend Fund	5.6%
Franklin U.S. Rising Dividends Fund	4.0%
Franklin U.S. Low Duration Fund	3.8%
Franklin ActiveQuant Canadian Fund	2.9%
Franklin Liberty Global Aggregate Bond ETF	2.9%
Franklin Mutual European Fund	2.1%
Templeton Emerging Markets Fund	2.0%
Franklin Select U.S. Equity Fund	1.9%
iShares S&P/TSX 60 Index ETF	1.6%
Franklin Global Listed Infrastructure Fund	1.5%
Franklin Global Real Estate Fund	1.0%
Financial Select Sector SPDR ETF	0.9%
Franklin Japan Fund	0.9%
iShares MSCI Japan ETF	0.6%
S&P Depository Receipt EURO STOXX 50 ETF	0.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in fixed-income underlying funds in order to provide income and capital preservation. The Fund also invests, to a lesser extent, in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	171,235,252	—	—	171,235,252
TOTAL	171,235,252	—	—	171,235,252
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	186,153,228	—	—	186,153,228
TOTAL	186,153,228	—	—	186,153,228

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (55%)	1.00	988,297	1,222,856
Bloomberg Barclays Multiverse Bond (25%)	1.00	449,226	555,844
S&P/TSX (15%)	3.00	808,607	1,000,519
Net MSCI All Country World Net (5%)	3.00	269,536	333,506

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30	December 31
	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash	201,326	22,229
Investments at fair value through profit or loss (FVTPL)	236,309,630	245,191,751
Premiums receivable	3,912	33,184
Receivable for securities sold	27,650	109,690
	<u>236,542,518</u>	<u>245,356,854</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	576,186	600,076
Withdrawals payable	488,615	335,004
Payable for securities purchased	126,595	—
	<u>1,191,396</u>	<u>935,080</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>235,351,122</u>	<u>244,421,774</u>
NET ASSETS PER UNIT		
Series 3	<u>6.95</u>	6.97
Series 5	<u>7.15</u>	7.16
Series 6	<u>5.67</u>	5.67
Series 7	<u>5.78</u>	5.77
Series 8	<u>5.06</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	—	(602)
Changes in fair value:		
Net realized gain (loss) on investments	3,146,596	3,301,967
Net unrealized gain (loss) on investments	(60,797)	5,646,343
	<u>3,085,799</u>	<u>8,947,708</u>
EXPENSES		
Management fees and guarantee charge	2,822,027	2,984,055
Operating expenses	666,214	711,514
	<u>3,488,241</u>	<u>3,695,569</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(402,442)</u>	<u>5,252,139</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	<u>(26,679)</u>	168,869
- per unit	<u>(0.02)</u>	0.13
Average Number of Units	<u>1,120,938</u>	1,263,921
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>(372,641)</u>	4,452,586
- per unit	<u>(0.01)</u>	0.15
Average Number of Units	<u>27,954,871</u>	30,443,046
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(65,862)</u>	516,769
- per unit	<u>(0.02)</u>	0.12
Average Number of Units	<u>4,298,673</u>	4,420,165
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>3,482</u>	113,915
- per unit	<u>—</u>	0.13
Average Number of Units	<u>883,222</u>	860,443
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>59,258</u>	—
- per unit	<u>0.05</u>	—
Average Number of Units	<u>1,216,871</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	244,421,774	251,847,967
Increase (Decrease) in Net Assets from operations attributable to contract owners	(402,442)	5,252,139
Premiums		
Series 3	96,768	246,168
Series 5	9,405,294	8,369,082
Series 6	2,367,042	3,385,652
Series 7	290,151	65,646
Series 8*	7,285,843	—
	19,445,098	12,066,548
Withdrawals		
Series 3	(839,270)	(555,775)
Series 5	(17,316,320)	(18,982,188)
Series 6	(9,439,704)	(2,122,103)
Series 7	(352,411)	(52,940)
Series 8*	(165,603)	—
	(28,113,308)	(21,713,006)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	235,351,122	247,453,648

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(402,442)	5,252,139
Adjustments for:		
Net realized gain (loss)	(3,146,596)	(3,301,967)
Net unrealized gain (loss)	60,797	(5,646,343)
Proceeds from sale/maturity of investments	13,917,528	14,552,641
Investments purchased	(1,949,608)	(1,180,508)
Receivable for securities sold	82,040	101,518
Accrued expenses	(23,890)	340
Payable for securities purchased	126,595	(4,329)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	8,664,424	9,773,491
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	19,474,370	12,044,946
Amounts paid on withdrawals	(27,959,697)	(21,756,182)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(8,485,327)	(9,711,236)
Increase (decrease) in cash/bank overdraft	179,097	62,255
Cash (bank overdraft), beginning of period	22,229	(9,852)
CASH (BANK OVERDRAFT), END OF PERIOD	201,326	52,403
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	—	602

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Franklin Quotential Balanced Income Portfolio	23,607,356	181,060,675	236,309,630
Total Investments		181,060,675	236,309,630
Other Net Assets (-0.4%)			(958,508)
Net Assets (100%)			235,351,122

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Core Plus Bond Fund	21.8%
Franklin Bissett Canadian Government Bond Fund	14.3%
Franklin Bissett Canadian Short Term Bond Fund	6.5%
Franklin Bissett Canadian Equity Fund	4.9%
Templeton Global Bond Fund	4.7%
Franklin U.S. Rising Dividends Fund	3.8%
Franklin Templeton Canadian Large Cap Fund	3.7%
Franklin ActiveQuant Canadian Fund	3.5%
Franklin Strategic Income Fund	3.3%
iShares S&P/TSX 60 Index ETF	2.8%
Franklin LibertyQT U.S. Equity Index ETF	2.7%
Franklin U.S. Opportunities Fund	2.7%
Franklin Select U.S. Equity Fund	2.7%
Franklin Liberty Global Aggregate Bond ETF	2.5%
Franklin Mutual European Fund	2.3%
Franklin Japan Fund	1.7%
Financial Select Sector SPDR ETF	1.5%
Templeton Euroland Fund	1.5%
Templeton Asian Growth Fund	1.5%
Franklin Bissett Small Cap Fund	1.3%
iShares MSCI Japan ETF	1.3%
S&P Depository Receipt EURO STOXX 50 ETF	0.9%
Templeton Emerging Markets Smaller Companies Fund	0.8%
iShares Core MSCI Emerging Markets ETF	0.7%
Templeton Frontier Markets Fund	0.3%

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To invest in fixed-income underlying funds in order to provide income and capital preservation. The Fund also invests in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	236,309,630	—	—	236,309,630
TOTAL	236,309,630	—	—	236,309,630

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	245,191,751	—	—	245,191,751
TOTAL	245,191,751	—	—	245,191,751

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Funds Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (45%)	1.00	1,248,712	1,344,583
Bloomberg Barclays Multiverse Bond (15%)	1.00	416,237	448,194
S&P/TSX (20%)	3.00	1,664,949	1,792,778
Net MSCI All Country World Net (20%)	3.00	1,664,949	1,792,778

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN BALANCED – FIDELITY

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	94,273	185,215
Investments at fair value through profit or loss (FVTPL)	787,494,682	827,608,950
Premiums receivable	712,407	692,102
Receivable for securities sold	373,219	113,582
	<u>788,674,581</u>	<u>828,599,849</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	1,947,820	2,047,605
Withdrawals payable	2,276,326	1,603,344
	<u>4,224,146</u>	<u>3,650,949</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>784,450,435</u>	<u>824,948,900</u>
NET ASSETS PER UNIT		
Series 3	<u>9.85</u>	9.66
Series 5	<u>10.23</u>	10.01
Series 6	<u>6.10</u>	5.97
Series 7	<u>6.24</u>	6.08
Series 8	<u>5.18</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	—	(2,087)
Distributions from underlying funds	12,089,164	12,771,194
Changes in fair value:		
Net realized gain (loss) on investments	10,812,508	8,864,836
Net unrealized gain (loss) on investments	5,994,023	1,667,834
	<u>28,895,695</u>	<u>23,301,777</u>
EXPENSES		
Management fees and guarantee charge	9,487,631	10,389,689
Operating expenses	2,271,090	2,506,636
	<u>11,758,721</u>	<u>12,896,325</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>17,136,974</u>	<u>10,405,452</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	189,210	111,172
- per unit	0.19	0.10
Average Number of Units	1,013,840	1,150,675
SERIES 5		
Increase (Decrease) in Net Assets from Operations	15,841,530	9,849,083
- per unit	0.21	0.12
Average Number of Units	73,825,421	83,698,921
SERIES 6		
Increase (Decrease) in Net Assets from Operations	636,810	419,205
- per unit	0.10	0.06
Average Number of Units	6,548,401	6,682,459
SERIES 7		
Increase (Decrease) in Net Assets from Operations	133,042	25,992
- per unit	0.15	0.07
Average Number of Units	861,515	374,440
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	336,382	—
- per unit	0.19	—
Average Number of Units	1,808,527	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	824,948,900	875,768,510
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>17,136,974</u>	10,405,452
Premiums		
Series 3	372,581	875,740
Series 5	37,489,336	40,485,102
Series 6	3,743,594	7,731,946
Series 7	1,586,392	823,840
Series 8*	10,616,234	—
	<u>53,808,137</u>	49,916,628
Withdrawals		
Series 3	(922,584)	(1,466,839)
Series 5	(93,103,573)	(88,740,823)
Series 6	(15,992,476)	(3,009,027)
Series 7	(956,439)	(67,258)
Series 8*	(468,504)	—
	<u>(111,443,576)</u>	(93,283,947)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	784,450,435	842,806,643

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,136,974	10,405,452
Adjustments for:		
Net realized gain (loss)	(10,812,508)	(8,864,836)
Net unrealized gain (loss)	(5,994,023)	(1,667,834)
Non-cash distribution from investments	(12,089,164)	(12,771,194)
Proceeds from sale/maturity of investments	69,520,021	56,981,782
Investments purchased	(510,058)	(891,989)
Receivable for securities sold	(259,637)	(643,620)
Accrued expenses	(99,785)	(43,652)
Payable for securities purchased	—	(19,774)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	56,891,820	42,484,335
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	53,787,832	50,406,825
Amounts paid on withdrawals	(110,770,594)	(92,860,809)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(56,982,762)	(42,453,984)
Increase (decrease) in cash/ bank overdraft	(90,942)	30,351
Cash (bank overdraft), beginning of period	185,215	(137,055)
CASH (BANK OVERDRAFT), END OF PERIOD	94,273	(106,704)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	—	2,087

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIDELITY (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Fidelity Canadian Balanced Fund, Series O	33,508,416	653,588,386	787,494,682
Total Investments		653,588,386	787,494,682
Other Net Assets (-0.4%)			(3,044,247)
Net Assets (100%)			784,450,435

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	4.7%
Suncor Energy	4.0%
Canadian Pacific Railway	3.4%
Royal Bank of Canada	3.4%
Waste Connections	2.1%
Brookfield Asset Management	1.8%
Canadian Natural Resources	1.7%
Methanex Corporation	1.5%
First Quantum Minerals	1.5%
Constellation Software	1.4%
Dollarama	1.1%
Parkland Fuel Corporation	1.1%
EOG Resources	1.1%
Restaurant Brands International	1.0%
CCL Industries	1.0%
Microsoft Corporation	1.0%
Visa	1.0%
CSX Corporation	0.9%
Baxter International	0.9%
Province of Ontario, 3.15%, June 2, 2022	0.9%
CME Group	0.9%
BRP	0.9%
Canada Housing Trust, 1.50%, December 15, 2021	0.9%
Magna International	0.8%
Alphabet	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve high total investment return using a diversified portfolio targeting long-term capital appreciation and a regular income stream through investment in any kind of equity or fixed-income security or money market instrument. The fundamental investment objective of the Fund is to provide investors with a balanced asset mix with the potential for capital growth.

Strategy of the Fund

Target fixed asset allocation to deliver superior long-term growth potential and reduced levels of risk. The Fund invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments. The equity investment decisions are based on a thorough examination of the company, financial conditions and long-term earnings potential.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	787,494,682	—	—	787,494,682
TOTAL	787,494,682	—	—	787,494,682
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	827,608,950	—	—	827,608,950
TOTAL	827,608,950	—	—	827,608,950

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN BALANCED – FIDELITY (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (40%)	1.00	3,335,549	3,731,637
Merrill Lynch High Yield Master II (10%)	2.00	1,667,775	1,865,818
S&P/TSX Capped (50%)	3.00	12,508,309	13,993,637

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – U.S. MONTHLY INCOME – FIDELITY

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30	December 31
	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash	898	51,312
Investments at fair value through profit or loss (FVTPL)	14,449,551	14,071,357
Premiums receivable	182,344	384,856
	<u>14,632,793</u>	<u>14,507,525</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	32,824	32,462
Withdrawals payable	67,265	3,019
Payable for securities purchased	102,016	435,417
	<u>202,105</u>	<u>470,898</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,430,688</u>	<u>14,036,627</u>
NET ASSETS PER UNIT		
Series 5	<u>5.66</u>	5.53
Series 6	<u>5.66</u>	5.53
Series 7	<u>5.75</u>	5.60
Series 8	<u>5.20</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Distributions from underlying funds	149,372	106,135
Changes in fair value:		
Net realized gain (loss) on investments	28,885	31,204
Net unrealized gain (loss) on investments	366,779	(133,807)
	<u>545,036</u>	<u>3,532</u>
EXPENSES		
Management fees and guarantee charge	179,752	142,624
Operating expenses	15,643	11,956
	<u>195,395</u>	<u>154,580</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>349,641</u>	<u>(151,048)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	55,820	(33,061)
- per unit	0.12	(0.06)
Average Number of Units	468,222	532,974
SERIES 6		
Increase (Decrease) in Net Assets from Operations	109,884	(101,985)
- per unit	0.08	(0.08)
Average Number of Units	1,343,858	1,216,710
SERIES 7		
Increase (Decrease) in Net Assets from Operations	93,596	(16,002)
- per unit	0.17	(0.09)
Average Number of Units	563,212	176,675
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	90,341	—
- per unit	0.19	—
Average Number of Units	478,877	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – U.S. MONTHLY INCOME – FIDELITY (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>14,036,627</u>	9,241,776
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>349,641</u>	(151,048)
Premiums		
Series 5	256,737	889,910
Series 6	1,246,971	2,911,816
Series 7	1,268,398	724,661
Series 8*	<u>3,088,274</u>	—
	<u>5,860,380</u>	4,526,387
Withdrawals		
Series 5	(942,453)	(731,482)
Series 6	(4,173,442)	(619,052)
Series 7	(525,427)	(35,538)
Series 8*	<u>(174,638)</u>	—
	<u>(5,815,960)</u>	(1,386,072)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>14,430,688</u>	12,231,043

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	349,641	(151,048)
Adjustments for:		
Net realized gain (loss)	(28,885)	(31,204)
Net unrealized gain (loss)	(366,779)	133,807
Non-cash distribution from investments	(149,372)	(106,135)
Proceeds from sale/maturity of investments	1,877,874	757,024
Investments purchased	(1,711,032)	(3,790,992)
Receivable for securities sold	—	4,346
Accrued expenses	362	8,047
Payable for securities purchased	(333,401)	(2,792)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(361,592)</u>	(3,178,947)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,062,892	4,621,809
Amounts paid on withdrawals	(5,751,714)	(1,395,508)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>311,178</u>	3,226,301
Increase (decrease) in cash/ bank overdraft	(50,414)	47,354
Cash (bank overdraft), beginning of period	51,312	(14,695)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>898</u>	32,659

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
Fidelity U.S. Monthly Income Fund, Series O	607,530	13,890,649	14,449,551
Total Investments		13,890,649	14,449,551
Other Net Assets (-0.1%)			(18,863)
Net Assets (100%)			14,430,688

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
iShares TIPS Bond ETF	2.2%
JPMorgan Chase & Company	1.5%
Verizon Communications	1.3%
Wells Fargo & Company	1.2%
Bank of America Corporation	1.1%
Cisco Systems	1.1%
Johnson & Johnson	1.0%
U.S. Treasury Note, 1.75%, June 30, 2022	1.0%
U.S. Treasury Note, 1.875%, July 31, 2022	1.0%
Freddie Mac, 3.50%, 30 Year	1.0%
Chevron Corporation	0.9%
Citigroup	0.9%
DowDuPont	0.8%
Microsoft Corporation	0.8%
United Technologies Corporation	0.8%
Amgen	0.7%
Freddie Mac, 4.00%, 30 Year	0.7%
Exelon Corporation	0.7%
McDonald's Corporation	0.7%
Qualcomm	0.6%
ConocoPhillips Company	0.6%
U.S. Treasury Note, 0.625%, January 15, 2026	0.6%
Public Storage	0.6%
Ginnie Mae, 3.00%, 30 Year	0.6%
U.S. Treasury Bill, 3.00%, February 15, 2047	0.6%

DFS GIF – U.S. MONTHLY INCOME – FIDELITY (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve a combination of a steady flow of income and the potential for capital gains by investing in a mix of U.S. income-producing securities.

Strategy of the Fund

The Fund invests primarily in a mix of U.S. income-producing securities, either directly or indirectly through investments in underlying funds. The Fund's neutral mix is 50% exposure to equity securities and 50% exposure to fixed-income securities. These securities may be U.S. securities or non-U.S. securities but at least 70% of the Fund's net assets will be invested in U.S. dollar-denominated investments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	14,449,551	—	—	14,449,551
TOTAL	14,449,551	—	—	14,449,551
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	14,071,357	—	—	14,071,357
TOTAL	14,071,357	—	—	14,071,357

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Funds Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
Bloomberg Barclays U.S. Aggregate Bond (31%)	1.50	67,103	65,270
Bank of America ML all US Convertibles (5%)	1.50	10,823	10,527
Bank of America ML High Yield Master II Constrained (12%)	2.00	34,634	33,688
JP Morgan EMBI Global Diversified (5%)	2.00	14,431	14,037
Russell 3000 Value (40%)	3.00	173,168	168,440
FTSE NAREIT Equity REITs (7%)	3.00	30,304	29,477

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	108,391	305,631
Investments at fair value through profit or loss (FVTPL)	257,002,287	259,747,994
Premiums receivable	301,059	690,218
Interest, dividends and other receivables	57	403,188
	<u>257,411,794</u>	<u>261,147,031</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	597,956	610,234
Withdrawals payable	909,406	664,573
	<u>1,507,362</u>	<u>1,274,807</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>255,904,432</u>	<u>259,872,224</u>
NET ASSETS PER UNIT		
Series 3	<u>8.55</u>	8.55
Series 5	<u>9.02</u>	9.00
Series 6	<u>5.56</u>	5.54
Series 7	<u>5.63</u>	5.60
Series 8	<u>5.10</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	200	(492)
Distributions from underlying funds	2,853,494	3,083,175
Changes in fair value:		
Net realized gain (loss) on investments	1,945,021	1,303,013
Net unrealized gain (loss) on investments	(567,748)	4,133,721
	<u>4,230,967</u>	<u>8,519,417</u>
EXPENSES		
Management fees and guarantee charge	2,725,001	2,584,623
Operating expenses	884,665	897,899
	<u>3,609,666</u>	<u>3,482,522</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>621,301</u>	<u>5,036,895</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	<u>(8,704)</u>	172,972
- per unit	<u>(0.01)</u>	0.16
Average Number of Units	<u>1,007,700</u>	1,105,501
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>378,601</u>	4,030,715
- per unit	<u>0.02</u>	0.18
Average Number of Units	<u>20,784,271</u>	22,071,943
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(93,639)</u>	724,283
- per unit	<u>(0.01)</u>	0.10
Average Number of Units	<u>8,630,419</u>	6,976,047
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>47,215</u>	108,925
- per unit	<u>0.03</u>	0.12
Average Number of Units	<u>1,771,194</u>	929,065
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>297,828</u>	—
- per unit	<u>0.09</u>	—
Average Number of Units	<u>3,148,380</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	259,872,224	238,582,179
Increase (Decrease) in Net Assets from operations attributable to contract owners	621,301	5,036,895
Premiums		
Series 3	456,547	325,289
Series 5	13,804,736	11,277,633
Series 6	7,418,076	9,703,792
Series 7	1,992,783	1,207,093
Series 8*	18,561,610	—
	42,233,752	22,513,807
Withdrawals		
Series 3	(1,013,119)	(808,090)
Series 5	(20,842,999)	(16,372,406)
Series 6	(22,893,831)	(1,593,931)
Series 7	(1,582,317)	(68,890)
Series 8*	(490,579)	—
	(46,822,845)	(18,843,317)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	255,904,432	247,289,564

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	621,301	5,036,895
Adjustments for:		
Net realized gain (loss)	(1,945,021)	(1,303,013)
Net unrealized gain (loss)	567,748	(4,133,721)
Non-cash distribution from investments	(2,853,494)	(3,083,175)
Proceeds from sale/maturity of investments	13,055,434	13,684,700
Investments purchased	(6,078,960)	(14,639,945)
Interest, dividends and other receivables	403,131	—
Accrued expenses	(12,278)	35,546
Payable for securities purchased	—	(671,418)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	3,757,861	(5,074,131)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	42,622,911	22,936,229
Amounts paid on withdrawals	(46,578,012)	(18,507,077)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(3,955,101)	4,429,152
Increase (decrease) in cash/ bank overdraft	(197,240)	(644,979)
Cash (bank overdraft), beginning of period	305,631	828,727
CASH (BANK OVERDRAFT), END OF PERIOD	108,391	183,748
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	266	—
Interest paid	126	492

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Jarislowsky Fraser Global Balanced Fund	18,862,830	217,699,852	257,002,287
Total Investments		217,699,852	257,002,287
Other Net Assets (-0.4%)			(1,097,855)
Net Assets (100%)			255,904,432

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Jarislowsky Fraser International Pooled Fund	19.4%
Jarislowsky Fraser Emerging Market Equity Fund	2.5%
Toronto-Dominion Bank	2.2%
Royal Bank of Canada	1.7%
Jarislowsky Fraser Special Equity Fund	1.5%
Government of Canada, 1.00%, June 1, 2027	1.4%
Scotiabank	1.4%
Enbridge	1.4%
Canadian National Railway Company	1.3%
Microsoft Corporation	1.3%
Province of Ontario, 2.40%, June 2, 2026	1.2%
Canadian Natural Resources	1.2%
Canadian Imperial Bank of Commerce, 1.85%, July 14, 2020	1.1%
Royal Bank of Canada, 2.77%, December 11, 2018	1.1%
Canada Housing Trust, 2.35%, June 15, 2027	1.0%
Canada Housing Trust, 1.15%, December 15, 2021	1.0%
Nutrien	1.0%
Bank of Montreal, 2.27%, July 11, 2022	1.0%
Berkshire Hathaway	0.9%
Manulife Financial Corporation	0.9%
Open Text Corporation	0.8%
Toronto-Dominion Bank, 1.909%, July 18, 2023	0.8%
Alimentation Couche-Tard	0.8%
CGI Group	0.8%
Royal Bank of Canada, 2.03%, March 15, 2021	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with an opportunity to achieve a high rate of return by investing in a diversified portfolio consisting of a balance of equity and fixed-income securities of issuers located throughout the world.

Strategy of the Fund

To provide such an opportunity through a diversified portfolio consisting of a balance of mainly large cap equity and mainly investment grade fixed-income securities of issuers located throughout the world.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	257,002,287	—	257,002,287
TOTAL	—	257,002,287	—	257,002,287
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	259,747,994	—	259,747,994
TOTAL	—	259,747,994	—	259,747,994

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada 91 Day Treasury Bills (6%)	0.25	44,699	43,365
FTSE TMX Canada Universe Bond (40%)	1.00	1,191,982	1,156,390
S&P/TSX (22%)	3.00	1,966,771	1,908,043
S&P 500 (16%)	3.00	1,430,379	1,387,668
MSCI EAFE Net (16%)	3.00	1,430,379	1,387,668

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	13,469	189,880
Investments at fair value through profit or loss (FVTPL)	145,198,261	144,975,172
Investments at fair value through profit or loss (FVTPL) pledged as collateral	30,829,970	36,647,833
Premiums receivable	117,777	85,100
Receivable for securities sold	1,165,404	—
Cash guarantee received for repurchase transactions	28,956,895	22,150,320
Interest, dividends and other receivables	278,079	342,886
	206,559,855	204,391,191
LIABILITIES		
Current Liabilities		
Accrued expenses	383,296	398,776
Withdrawals payable	555,295	178,113
Payable for securities purchased	1,179,859	—
Commitments related to repurchase transactions	28,956,895	22,150,320
	31,075,345	22,727,209
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	175,484,510	181,663,982
NET ASSETS PER UNIT		
Series 1	10.50	10.46
Series 3	11.72	11.64
Series 5	12.50	12.37
Series 6	6.15	6.09
Series 7	6.28	6.20
Series 8	5.16	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	599,874	602,054
Dividends	879,635	957,396
Distributions from underlying funds	399,957	368,717
Revenue from securities lending and repurchase transactions	13,665	10,832
Foreign exchange gain (loss) on cash	1,096	519
Changes in fair value:		
Net realized gain (loss) on investments	949,294	6,377,001
Net unrealized gain (loss) on investments	1,177,569	(2,868,849)
	4,021,090	5,447,670
EXPENSES		
Management fees and guarantee charge	1,811,473	1,890,399
Operating expenses	499,498	531,558
	2,310,971	2,421,957
Commissions and other portfolio transaction costs	15,102	67,497
	2,326,073	2,489,454
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	1,695,017	2,958,216
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	15,666	76,366
- per unit	0.03	0.11
Average Number of Units	592,453	686,786
SERIES 3		
Increase (Decrease) in Net Assets from Operations	78,158	200,567
- per unit	0.07	0.16
Average Number of Units	1,067,750	1,248,209
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,361,606	2,448,260
- per unit	0.12	0.20
Average Number of Units	11,315,671	12,305,752
SERIES 6		
Increase (Decrease) in Net Assets from Operations	31,673	216,349
- per unit	0.01	0.09
Average Number of Units	2,507,723	2,488,153
SERIES 7		
Increase (Decrease) in Net Assets from Operations	46,521	16,674
- per unit	0.11	0.11
Average Number of Units	407,744	156,931
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	161,393	—
- per unit	0.15	—
Average Number of Units	1,085,144	—

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	181,663,982	184,679,409
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,695,017</u>	2,958,216
Premiums		
Series 1	39,847	212,079
Series 3	122,752	312,547
Series 5	5,219,321	5,714,314
Series 6	1,432,184	2,888,675
Series 7	1,518,089	98,748
Series 8*	6,373,866	—
	<u>14,706,059</u>	9,226,363
Withdrawals		
Series 1	(678,316)	(850,956)
Series 3	(850,874)	(1,404,670)
Series 5	(12,969,739)	(12,361,992)
Series 6	(7,633,424)	(746,215)
Series 7	(178,508)	(10,815)
Series 8*	(269,687)	—
	<u>(22,580,548)</u>	(15,374,648)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	175,484,510	181,489,340

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,695,017	2,958,216
Adjustments for:		
Foreign exchange gain (loss) on cash	(1,096)	(519)
Net realized gain (loss)	(949,294)	(6,377,001)
Net unrealized gain (loss)	(1,177,569)	2,868,849
Non-cash distribution from investments	(399,957)	(368,717)
Proceeds from sale/maturity of investments	132,037,463	137,186,287
Investments purchased	(123,919,881)	(129,922,496)
Receivable for securities sold	(1,165,404)	(1,308,436)
Cash guarantee received for repurchase transactions	(6,806,575)	(10,187,031)
Interest, dividends and other receivables	64,807	29,924
Accrued expenses	(15,480)	(1,066)
Commitments related to repurchase transactions	6,806,575	10,187,031
Payable for securities purchased	1,179,859	1,052,967
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	7,348,465	6,118,008
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	14,673,382	9,510,948
Amounts paid on withdrawals	(22,203,366)	(15,574,834)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(7,529,984)	(6,063,886)
Effect of exchange rate changes on foreign cash	5,108	(28)
Increase (decrease) in cash/bank overdraft	(176,411)	54,094
Cash (bank overdraft), beginning of period	189,880	(52,020)
CASH (BANK OVERDRAFT), END OF PERIOD	13,469	2,074
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	662,620	616,838
Dividends received, net of withholding taxes	881,156	970,131
Interest paid	—	66

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Shares	Cost	Fair Value
		\$	\$
EQUITIES (45.7%)			
Energy (3.1%)			
Imperial Oil*	55,850	2,208,141	2,440,645
PrairieSky Royalty	90,850	2,848,943	2,357,558
Suncor Energy	11,320	438,234	605,620
		<u>5,495,318</u>	<u>5,403,823</u>
Materials (2.3%)			
CCL Industries, Class B	36,825	2,239,587	2,373,371
Winpak	37,487	1,755,311	1,649,428
		<u>3,994,898</u>	<u>4,022,799</u>
Industrials (7.1%)			
Canadian National Railway Company	30,415	2,005,089	3,270,525
Canadian Pacific Railway	12,745	2,356,412	3,070,525
Stantec	24,975	866,717	844,405
Toromont Industries	51,600	2,965,415	2,933,976
Waste Connections	24,281	1,524,316	2,404,547
		<u>9,717,949</u>	<u>12,523,978</u>
Consumer Discretionary (4.9%)			
Dollarama	53,040	1,585,877	2,702,918
Quebecor, Class B	107,330	2,187,491	2,889,324
Restaurant Brands International	25,200	1,931,910	1,998,360
Shaw Communications, Class B	38,175	1,005,143	1,022,326
		<u>6,710,421</u>	<u>8,612,928</u>
Consumer Staples (5.3%)			
Alimentation Couche-Tard, Class B	43,101	2,295,890	2,461,498
Loblaw Companies	26,332	1,635,658	1,780,043
Metro	60,600	2,609,181	2,708,214
Saputo Group	52,400	2,270,061	2,287,260
		<u>8,810,790</u>	<u>9,237,015</u>
Financials (13.2%)			
Bank of Montreal	20,300	1,922,879	2,062,886
Brookfield Asset Management, Class A	56,917	2,670,914	3,035,384
Great-West Lifeco	64,175	2,286,130	2,074,136
Intact Financial Corporation	17,780	1,684,012	1,657,985
National Bank of Canada	38,075	2,313,918	2,403,294
Royal Bank of Canada	35,819	2,527,943	3,545,723
Scotiabank	39,338	2,534,924	2,928,321
Thomson Reuters	38,200	2,182,559	2,026,510
Toronto-Dominion Bank	45,837	2,293,715	3,487,737
		<u>20,416,994</u>	<u>23,221,976</u>
Information Technology (6.2%)			
CGI Group, Class A	37,003	1,976,709	3,082,720
Constellation Software	3,866	2,652,381	3,941,580
Kinaxis	11,200	930,049	991,200
Open Text	61,200	2,504,244	2,831,724
		<u>8,063,383</u>	<u>10,847,224</u>

* Securities pledged as collateral, in part or in whole, through the securities lending program.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Shares	Cost	Fair Value
		\$	\$
Telecommunication Services (2.7%)			
Rogers Communications, Class B	38,100	2,452,291	2,378,964
TELUS	50,200	2,255,918	2,344,340
		<u>4,708,209</u>	<u>4,723,304</u>
Utilities (0.9%)			
ATCO, Class I	39,400	1,806,535	1,598,852
TOTAL EQUITIES		<u>69,724,497</u>	<u>80,191,899</u>
INVESTMENT FUNDS (22.5%)			
	Number of Units		
Fiera Active Short Term Canadian Municipal Bond Fund	1,207,670	12,049,666	12,011,965
Fiera Global Equity Fund	1,265,580	14,168,026	27,426,449
TOTAL INVESTMENT FUNDS		<u>26,217,692</u>	<u>39,438,414</u>
MONEY MARKET SECURITIES (16.5%)			
	Par Value		
Canada Treasury Bills			
2018-07-26*	CAD 1,220,000	1,218,974	1,218,974
2018-08-09*	CAD 12,215,000	12,198,739	12,198,739
2018-08-23	CAD 3,115,000	3,109,162	3,109,162
Manitoba Treasury Bills			
2018-07-11	CAD 1,000,000	999,585	999,585
Province of Alberta, notes			
2018-07-30	CAD 2,970,000	2,966,597	2,966,597
2018-10-02	CAD 1,500,000	1,494,082	1,494,082
Province of Saskatchewan, notes			
2018-08-13	CAD 2,370,000	2,365,958	2,365,958
Québec Treasury Bills			
2018-07-13	CAD 2,000,000	1,999,021	1,999,021
3.050%, 2022-05-16	CAD 2,550,000	2,543,652	2,543,652
TOTAL MONEY MARKET SECURITIES		<u>28,895,770</u>	<u>28,895,770</u>
BONDS (15.6%)			
Canadian Bonds (15.6%)			
Government of Canada (4.8%)			
Canada Housing Trust			
floating rate, 2021-09-15	CAD 1,906,000	1,925,742	1,926,006
Government of Canada			
Series G401, 0.500%, 2019-02-01	CAD 95,000	94,385	94,420
2.500%, 2024-06-01*	CAD 1,202,000	1,217,887	1,227,461
2.250%, 2025-06-01*	CAD 93,000	94,170	93,696
Series E679, 1.500%, 2026-06-01*	CAD 68,000	64,226	64,839
1.000%, 2027-06-01*	CAD 2,326,000	2,073,175	2,108,981
2.000%, 2028-06-01*	CAD 316,000	301,571	311,335
Series WL43, 5.750%, 2029-06-01*	CAD 100,000	133,005	134,485
4.000%, 2041-06-01*	CAD 163,000	211,816	214,783
2.750%, 2048-12-01*	CAD 1,097,000	1,236,770	1,229,682

* Securities pledged as collateral, in part or in whole, through the securities lending program.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

		Par Value	Cost	Fair Value
			\$	\$
Government of Canada (cont.)				
PSP Capital				
Series 7, 3.290%, 2024-04-04	CAD	120,000	119,939	124,225
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	693,617	687,727	823,791
			8,160,413	8,353,704
Provincial Governments and Crown Corporations (7.2%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	178,000	178,000	177,748
Hydro One				
2.970%, 2025-06-26	CAD	11,000	10,997	10,993
Hydro-Québec				
stripped, 2029-02-15	CAD	45,000	32,769	32,740
stripped, 2029-08-15	CAD	44,000	31,499	31,447
stripped, 2030-02-15	CAD	43,000	30,325	30,257
stripped, 2030-08-15	CAD	42,000	29,024	29,088
stripped, 2031-02-15	CAD	41,000	27,917	27,902
stripped, 2031-08-15	CAD	40,000	26,737	26,804
stripped, 2032-02-15	CAD	39,000	25,726	25,689
stripped, 2032-08-15	CAD	39,000	25,176	25,274
Ontario Infrastructure				
4.700%, 2037-06-01	CAD	70,000	70,093	84,493
Ontario School Boards Financing				
Series 04A1, 5.483%, 2029-11-26	CAD	343,612	366,708	388,549
Private Placement, Series 06A1, 5.070%, 2031-04-18	CAD	335,033	335,033	364,064
Province of Alberta				
3.300%, 2046-12-01	CAD	42,000	44,111	44,414
3.050%, 2048-12-01*	CAD	221,000	219,193	224,065
Province of New Brunswick				
3.100%, 2048-08-14	CAD	51,000	51,543	50,308
Province of Newfoundland and Labrador				
3.700%, 2048-10-17*	CAD	250,000	267,888	275,161
Province of Ontario				
2.600%, 2025-06-02*	CAD	701,000	712,871	697,253
2.600%, 2027-06-02*	CAD	5,623,000	5,466,849	5,528,171
3.500%, 2043-06-02*	CAD	24,000	22,362	26,027
3.450%, 2045-06-02*	CAD	1,153,000	1,232,545	1,244,183
2.900%, 2046-12-02*	CAD	411,000	397,341	401,850
2.800%, 2048-06-02*	CAD	1,284,000	1,204,392	1,233,244
Province of Québec				
2.600%, 2025-07-06	CAD	991,000	988,859	988,880
3.500%, 2048-12-01*	CAD	166,000	176,389	183,952
Province of Saskatchewan				
3.900%, 2045-06-02	CAD	200,000	236,628	233,294
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	59,000	59,000	71,361
Series B, 5.395%, 2040-02-22	CAD	110,000	112,200	143,462
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	88,000	88,000	87,813
			12,470,175	12,688,486

* Securities pledged as collateral, in part or in whole, through the securities lending program.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

		Par Value	Cost	Fair Value
			\$	\$
Corporations (3.6%)				
407 International				
4.190%, 2042-04-25	CAD	80,000	87,400	88,395
Bank of Montreal				
2.270%, 2022-07-11	CAD	188,000	186,549	184,009
2.700%, 2024-09-11	CAD	436,000	435,943	428,488
Bell Canada				
4.750%, 2044-09-29	CAD	31,000	33,212	32,940
Blackbird Infrastructure 407 General Partners				
Series B, 1.713%, (floating rate from 2020-01-08), 2021-10-08	CAD	77,000	76,400	75,988
Brookfield Asset Management				
3.800%, 2027-03-16*	CAD	30,000	29,726	29,882
Canadian Imperial Bank of Commerce				
2.300%, 2022-07-11	CAD	43,000	42,093	42,147
Canadian Tire Corporation				
3.167%, 2023-07-06	CAD	191,000	191,000	191,853
Canadian Utilities				
4.543%, 2041-10-24	CAD	78,000	88,448	90,327
4.722%, 2043-09-09	CAD	42,000	47,703	50,147
4.085%, 2044-09-02	CAD	37,000	37,922	40,371
3.964%, 2045-07-27	CAD	380,000	397,073	407,550
3.763%, 2046-11-19	CAD	21,000	21,000	21,815
Capital City Link				
Series A, 4.386%, 2046-03-31	CAD	178,117	177,786	193,383
CHIP Mortgage Trust				
3.663%, 2038-09-25	CAD	600	600	602
CSS (FSCC) Partnership				
6.915%, 2042-07-31	CAD	33,916	45,379	44,797
Daimler Canada Finance				
3.050%, 2022-05-16	CAD	179,000	178,973	179,331
Enbridge				
3.200%, 2027-06-08*	CAD	74,000	69,636	70,630
4.570%, 2044-03-11*	CAD	28,000	26,126	28,189
Greater Toronto Airports Authority				
Series 99-1, 6.450%, 2029-07-30	CAD	20	21	23
Great-West Lifeco				
3.337%, 2028-02-28	CAD	226,000	226,000	228,188
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	397,000	487,401	532,780
IGM Financial				
3.440%, 2027-01-26	CAD	108,000	107,928	107,622
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	52,045	52,412	65,151
Laurentian Bank of Canada				
2.750%, 2021-04-22	CAD	36,000	35,923	35,626
Manulife Bank of Canada				
2.844%, 2023-01-12	CAD	221,000	221,000	219,890
Melancthon Wolfe Wind				
3.834%, 2028-12-31	CAD	90,029	90,040	90,678

* Securities pledged as collateral, in part or in whole, through the securities lending program.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

		Par Value	Cost	Fair Value
			\$	\$
Corporations (cont.)				
North West Redwater Partnership				
Series A, 3.200%, 2024-07-22	CAD	54,000	54,037	54,318
3.200%, 2026-04-24	CAD	94,000	93,800	93,640
Series F, 4.250%, 2029-06-01	CAD	94,000	93,739	100,245
Northland Power Solar Finance Limited Partnership				
Series A, 4.958%, 2032-12-31	CAD	105,491	105,498	115,042
Pembina Pipeline				
Series 10, 4.020%, 2028-03-27	CAD	123,000	122,990	124,563
Plenary Health Care Partnerships Humber				
4.895%, 2039-05-31	CAD	122,022	122,022	136,779
Plenary Properties				
6.288%, 2044-01-31	CAD	179,514	215,227	235,812
Scotiabank				
2.290%, 2024-06-28	CAD	240,000	230,912	230,516
SGTP Highway Bypass				
Series A, 4.105%, 2045-01-31	CAD	164,000	164,000	171,978
SNC-Lavalin Innisfree McGill Finance				
6.632%, 2044-06-30	CAD	131,552	152,850	169,801
TELUS				
4.750%, 2045-01-17*	CAD	31,000	32,682	32,333
Teranet Income Fund				
5.754%, 2040-12-17	CAD	207,000	218,784	220,744
6.100%, 2041-06-17	CAD	425,000	473,988	472,456
Toronto-Dominion Bank				
3.226%, 2024-07-24*	CAD	61,000	61,352	61,890
3.224%, (floating rate from 2024-07-25), 2029-07-25	CAD	21,000	21,000	20,545
4.859%, (floating rate from 2026-03-04), 2031-03-04	CAD	9,000	9,919	9,688
TransCanada Trust				
Series 17-A, 4.650%, (floating rate from 2027-05-18), 2077-05-18*	CAD	301,000	300,854	288,882
TransLink				
3.150%, 2048-11-16	CAD	387,000	386,392	383,537
			6,253,740	6,403,571
Total Canadian Bonds			26,884,328	27,445,761
U.S. Bonds (0.0%)				
Corporations				
Sinai Health System				
Series A, 3.527%, 2056-06-09	CAD	55,000	55,000	56,387
TOTAL BONDS			26,939,328	27,502,148
TOTAL INVESTMENTS (100.3%)			151,777,287	176,028,231
OTHER NET ASSETS (-0.3%)				(543,721)
NET ASSETS (100%)				175,484,510

* Securities pledged as collateral, in part or in whole, through the securities lending program.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
FIERA GLOBAL EQUITY FUND 15.6%	
Moody's Corporation	6.0%
Mastercard	5.1%
Keyence Corporation	5.0%
Becton, Dickinson and Company	4.2%
Johnson & Johnson	3.8%
FIERA ACTIVE SHORT TERM CANADIAN MUNICIPAL BOND FUND 6.8%	
Ville de Saint-Jérôme, 1.85%, September 14, 2021	2.2%
City of Magog, 2.00%, September 2, 2020	1.5%
Province of Ontario, 2.10%, September 8, 2019	1.3%
Société de transport de Laval, 2.30%, November 15, 2022	1.2%
City of Beloeil, 2.00%, September 8, 2020	0.9%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with a balance of capital growth and interest income by investing primarily in Canadian equity and fixed-income securities.

Strategy of the Fund

To provide such a balance by investing a portion of its assets in the common shares of medium and large cap Canadian corporations and the remainder in Canadian government and Canadian investment-grade corporate bonds and other interest-bearing instruments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Equities	80,191,899	—	—	80,191,899
Bonds	20,013,023	7,489,125	—	27,502,148
Investment Funds	—	39,438,414	—	39,438,414
Money Market Securities	28,895,770	—	—	28,895,770
TOTAL	129,100,692	46,927,539	—	176,028,231

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Equities	82,591,342	—	—	82,591,342
Bonds	23,460,002	12,079,932	—	35,539,934
Investment Funds	—	33,662,243	—	33,662,243
Money Market Securities	29,829,486	—	—	29,829,486
TOTAL	135,880,830	45,742,175	—	181,623,005

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

FINANCIAL INSTRUMENTS RISKS (Note 7)**Currency Risk**

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at June 30, 2018 and December 31, 2017, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

Interest Rate Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Contract Owners, had prevailing interest rates changed by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Total	Impact on Net Assets Attributable to Contract Owners
	\$	\$	\$	\$	\$	\$
June 30, 2018	30,929,665	736,991	13,096,539	11,648,192	56,411,387	1,107,802
December 31, 2017	33,043,472	9,195,491	10,468,756	12,851,581	65,559,300	1,190,898

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Concentration Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following tables summarize the concentration risk, as a percentage of the Net Assets Attributable to Contract Owners:

June 30, 2018		December 31, 2017	
Market Segment	%	Market Segment	%
Equities		Equities	
Financials	13.2	Financials	13.8
Industrials	7.1	Industrials	6.9
Information Technology	6.2	Consumer Staples	5.4
Consumer Staples	5.3	Energy	5.0
Consumer Discretionary	4.9	Information Technology	4.8
Energy	3.1	Telecommunication Services	3.9
Telecommunication Services	2.7	Consumer Discretionary	3.5
Materials	2.3	Utilities	1.9
Utilities	0.9	Materials	0.3
Investment Funds		Bonds	19.6
Growth	15.6	Investment Funds	
Income	6.9	Growth	15.1
Money Market Securities	16.5	Income	3.4
Bonds	15.6	Money Market Securities	16.4
Other Net Assets	(0.3)	TOTAL	100
TOTAL	100		

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Price Risk

The Fund may trade in financial instruments and take positions in traded and over-the-counter instruments.

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada 91 Day Treasury Bills (10%)	0.25	48,818	50,596
FTSE TMX Canada Universe Bond (30%)	1.00	585,819	607,157
S&P/TSX Capped (40%)	3.00	2,343,274	2,428,628
MSCI World Net (20%)	3.00	1,171,637	1,214,314

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Fund's credit risk concentration is separated between fixed-income and money market securities. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Portfolio's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed Income Securities	
	June 30, 2018	December 31, 2017
	%	%
AAA	31	32
AA	45	40
A	15	15
BBB	9	11
Not Rated	—	2
TOTAL	100	100

Portfolio's Money Market Securities by Credit Rating Category

Credit Rating	Percentage of Money Market Securities	
	June 30, 2018	December 31, 2017
	%	%
R-1 (High)	81	79
R-1 (Middle)	19	21
TOTAL	100	100

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Securities Lending and Repurchase Transactions

As part of its securities lending against cash and repurchase transactions, the Fund is exposed to counterparty credit risk. The carrying amount of financial assets lent as part of repurchase transactions is:

	\$
June 30, 2018	28,859,047
December 31, 2017	22,060,881

As part of its reverse repurchase transactions, the Fund is permitted to sell or repledge in the absence of default the financial assets held as collateral.

The fair value of those financial assets is:

	\$
June 30, 2018	8,252,771
December 31, 2017	4,488,700

The fair value of financial assets accepted as collateral which have been sold or repledged totalled:

	\$
June 30, 2018	57,911
December 31, 2017	55,281

These financial assets were received as collateral as part of transactions involving reverse repurchase agreements.

Liquidity Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DERECOGNITION OF FINANCIAL ASSETS**Securities Lending and Repurchase Transactions**

As part of transactions involving securities lending or repurchase transactions, the Fund transfers financial assets under terms and conditions providing for their future repurchase. These financial assets remain recognized in the "Investments at fair value through profit or loss pledged as collateral" of the Statement of Financial Position as the Fund retains substantially all the risks and rewards related to these assets.

	June 30, 2018	December 31, 2017
	\$	\$
Investments at FVTPL pledged as collateral	30,829,970	36,647,833
Value of Collateral received	31,446,709	37,380,790

The Funds require collateral in the form of cash or such other securities as may be acceptable to Desjardins Financial Security and that have an aggregate value of no less than 102% of the loaned securities fair value.

The following table presents the carrying amount and the fair value of financial assets transferred by the Fund but not derecognized as well as the related liabilities recognized in "Commitments related to repurchase transactions" and "Commitments related to securities lending" of the Statement of Financial Position.

	June 30, 2018	December 31, 2017
	Fair Value*	Fair Value*
	\$	\$
Financial assets	28,859,047	22,060,881
Related liabilities	28,898,659	22,094,241

*The fair value equals carrying amount.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

RECONCILIATION OF INCOME FROM SECURITIES LENDING AND REPURCHASE TRANSACTIONS (Note 2)

The following table shows a reconciliation of the total income generated from securities lending transactions of the Fund and the revenue from securities lending and repurchase transactions disclosed in the Fund's Statement of Comprehensive Income.

	June 30, 2018		June 30, 2017	
	\$	%	\$	%
Total Income	22,775	100	18,053	100
Net Income received by the Fund	13,665	60	10,832	60
Net Income received by Desjardins Trust	9,110	40	7,221	40

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	29,768
Investments at fair value through profit or loss (FVTPL)	201,124,686	215,928,677
Premiums receivable	9,360	61,100
Receivable for securities sold	249,056	76,315
	201,383,102	216,095,860
LIABILITIES		
Current Liabilities		
Bank overdraft	31,059	—
Accrued expenses	456,610	492,779
Withdrawals payable	486,349	272,457
Payable for securities purchased	—	30,273
	974,018	795,509
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	200,409,084	215,300,351
NET ASSETS PER UNIT		
Series 3	7.56	7.62
Series 5	7.89	7.93
Series 6	5.66	5.68
Series 7	5.77	5.78
Series 8	5.08	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(139)	(595)
Changes in fair value:		
Net realized gain (loss) on investments	3,817,884	1,513,105
Net unrealized gain (loss) on investments	(2,245,823)	4,233,068
	1,571,922	5,745,578
EXPENSES		
Management fees and guarantee charge	2,193,121	2,277,898
Operating expenses	601,364	644,676
	2,794,485	2,922,574
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	(1,222,563)	2,823,004
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(43,669)	73,403
- per unit	(0.06)	0.09
Average Number of Units	688,523	848,695
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(928,000)	2,168,144
- per unit	(0.05)	0.10
Average Number of Units	18,944,806	20,882,052
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(417,621)	525,311
- per unit	(0.06)	0.07
Average Number of Units	7,527,256	7,515,084
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(8,014)	56,146
- per unit	(0.01)	0.09
Average Number of Units	875,555	648,147
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	174,741	—
- per unit	0.07	—
Average Number of Units	2,341,281	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	215,300,351	206,209,989
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(1,222,563)</u>	2,823,004
Premiums		
Series 3	91,127	499,175
Series 5	5,325,556	9,404,759
Series 6	3,079,606	9,702,979
Series 7	804,987	314,672
Series 8*	13,604,190	—
	<u>22,905,466</u>	19,921,585
Withdrawals		
Series 3	(782,355)	(494,008)
Series 5	(15,961,916)	(13,597,614)
Series 6	(19,015,348)	(1,856,675)
Series 7	(503,540)	(62,808)
Series 8*	(311,011)	—
	<u>(36,574,170)</u>	(16,011,105)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	200,409,084	212,943,473

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(1,222,563)	2,823,004
Adjustments for:		
Net realized gain (loss)	(3,817,884)	(1,513,105)
Net unrealized gain (loss)	2,245,823	(4,233,068)
Proceeds from sale/maturity of investments	17,229,028	6,593,717
Investments purchased	(852,976)	(7,824,086)
Receivable for securities sold	(172,741)	(212,943)
Accrued expenses	(36,169)	28,030
Payable for securities purchased	(30,273)	(195,519)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	13,342,245	(4,533,970)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	22,957,206	20,372,375
Amounts paid on withdrawals	(36,360,278)	(15,928,061)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(13,403,072)	4,444,314
Increase (decrease) in cash/ bank overdraft	(60,827)	(89,656)
Cash (bank overdraft), beginning of period	29,768	29,811
CASH (BANK OVERDRAFT), END OF PERIOD	(31,059)	(59,845)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	139	595

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Franklin Bissett Canadian Balanced Fund, Series O	4,209,391	154,280,965	201,124,686
Total Investments		154,280,965	201,124,686
Other Net Assets (-0.4%)			(715,602)
Net Assets (100%)			200,409,084

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Corporate Bond Fund	15.5%
Franklin Bissett Canadian Equity Fund	13.9%
Franklin Bissett Core Plus Bond Fund	8.4%
Franklin Bissett Monthly Income and Growth Fund	7.3%
Franklin ActiveQuant Canadian Fund	6.7%
Franklin Bissett Microcap Fund	6.5%
Franklin ActiveQuant U.S. Fund	5.9%
Franklin Bissett Small Cap Fund	5.4%
Franklin U.S. Rising Dividends Fund	5.4%
Franklin Mutual European Fund	5.3%
Templeton EAFE Developed Markets Fund	5.2%
Templeton Global Bond Fund	4.3%
Franklin Bissett Canadian Dividend Fund	4.3%
Franklin Bissett Canadian Bond Fund	3.7%
Franklin Bissett Canadian Government Bond Fund	1.5%
Cash and Cash Equivalents	0.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

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.

Strategy of the Fund

To provide such an opportunity by investing in a diversified portfolio of Franklin Bissett mutual funds. The underlying funds may invest in foreign securities.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	201,124,686	—	—	201,124,686
TOTAL	201,124,686	—	—	201,124,686
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	215,928,677	—	—	215,928,677
TOTAL	215,928,677	—	—	215,928,677

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (35%)	1.00	711,457	695,443
Bloomberg Barclays U.S. Aggregate Bond (2.5%)	1.00	50,818	49,674
J.P. Morgan Global Government Bond (2.5%)	1.00	50,818	49,674
S&P/TSX Small Cap (5%)	3.00	304,910	298,047
S&P/TSX (32.5%)	3.00	1,981,917	1,937,304
S&P 500 (10%)	3.00	609,821	596,094
MSCI EAFE Net (10%)	3.00	609,821	596,094
MSCI Emerging Markets Net (2.5%)	3.00	152,455	149,023

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	495,400,718	512,949,135
Premiums receivable	158,701	114,308
Receivable for securities sold	508,784	62,379
	<u>496,068,203</u>	<u>513,125,822</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	168,125	45,254
Accrued expenses	1,230,969	1,267,696
Withdrawals payable	1,000,981	488,004
	<u>2,400,075</u>	<u>1,800,954</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>493,668,128</u>	<u>511,324,868</u>
NET ASSETS PER UNIT		
Series 3	<u>6.65</u>	6.64
Series 5	<u>6.88</u>	6.86
Series 6	<u>5.86</u>	5.84
Series 7	<u>5.98</u>	5.94
Series 8	<u>5.06</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(375)	(1,426)
Changes in fair value:		
Net realized gain (loss) on investments	8,251,410	9,131,635
Net unrealized gain (loss) on investments	297,645	11,457,292
	<u>8,548,680</u>	<u>20,587,501</u>
EXPENSES		
Management fees and guarantee charge	5,992,838	6,202,964
Operating expenses	1,425,104	1,488,088
	<u>7,417,942</u>	<u>7,691,052</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,130,738</u>	<u>12,896,449</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	9,290	270,254
- per unit	0.01	0.16
Average Number of Units	<u>1,561,952</u>	<u>1,732,121</u>
SERIES 5		
Increase (Decrease) in Net Assets from Operations	975,691	11,664,360
- per unit	0.01	0.17
Average Number of Units	<u>65,110,150</u>	<u>70,296,804</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	66,311	843,765
- per unit	0.01	0.14
Average Number of Units	<u>6,169,858</u>	<u>6,016,518</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	4,272	118,070
- per unit	0.01	0.16
Average Number of Units	<u>850,508</u>	<u>757,868</u>
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	75,174	—
- per unit	0.05	—
Average Number of Units	<u>1,651,939</u>	<u>—</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	511,324,868	518,424,677
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,130,738</u>	12,896,449
Premiums		
Series 3	804,848	154,668
Series 5	15,925,111	16,855,238
Series 6	3,161,070	3,899,022
Series 7	1,100,320	269,294
Series 8*	9,838,977	—
	<u>30,830,326</u>	21,178,222
Withdrawals		
Series 3	(742,306)	(1,228,192)
Series 5	(35,966,840)	(40,477,707)
Series 6	(12,085,598)	(2,511,753)
Series 7	(590,242)	(30,375)
Series 8*	(232,818)	—
	<u>(49,617,804)</u>	(44,248,027)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>493,668,128</u>	508,251,321

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,130,738	12,896,449
Adjustments for:		
Net realized gain (loss)	(8,251,410)	(9,131,635)
Net unrealized gain (loss)	(297,645)	(11,457,292)
Proceeds from sale/maturity of investments	27,514,005	31,749,466
Investments purchased	(1,416,533)	(1,018,288)
Receivable for securities sold	(446,405)	(198,256)
Accrued expenses	(36,727)	4,677
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>18,196,023</u>	22,845,121
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	30,785,933	21,135,915
Amounts paid on withdrawals	(49,104,827)	(44,018,214)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(18,318,894)</u>	(22,882,299)
Increase (decrease) in cash/ bank overdraft	(122,871)	(37,178)
Cash (bank overdraft), beginning of period	(45,254)	(243,546)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(168,125)</u>	(280,724)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	375	1,426

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Franklin Quotential Balanced Growth Portfolio	41,983,112	343,375,730	495,400,718
Total Investments		343,375,730	495,400,718
Other Net Assets (-0.4%)			(1,732,590)
Net Assets (100%)			493,668,128

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Core Plus Bond Fund	13.6%
Franklin Bissett Canadian Government Bond Fund	9.1%
Franklin Bissett Canadian Equity Fund	6.4%
Franklin U.S. Rising Dividends Fund	6.1%
Franklin Templeton Canadian Large Cap Fund	4.8%
Franklin ActiveQuant Canadian Fund	4.6%
Franklin LibertyQT U.S. Equity Index ETF	4.3%
Franklin U.S. Opportunities Fund	4.2%
Franklin Select U.S. Equity Fund	4.2%
Franklin Bissett Canadian Short Term Bond Fund	4.0%
Franklin Mutual European Fund	3.9%
iShares S&P/TSX 60 Index ETF	3.8%
Templeton Global Bond Fund	3.0%
Franklin Japan Fund	2.7%
Templeton Euroland Fund	2.6%
Financial Select Sector SPDR ETF	2.4%
Templeton Asian Growth Fund	2.3%
Franklin Strategic Income Fund	2.1%
iShares MSCI Japan ETF	2.0%
S&P Depository Receipt EURO STOXX 50 ETF	1.9%
Franklin Bissett Small Cap Fund	1.7%
Franklin Liberty Global Aggregate Bond ETF	1.6%
iShares Core MSCI Emerging Markets ETF	1.4%
Templeton Emerging Markets Smaller Companies Fund	1.2%
Templeton Frontier Markets Fund	0.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests, to a lesser extent, in fixed-income underlying funds in order to provide stability.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	495,400,718	—	—	495,400,718
TOTAL	495,400,718	—	—	495,400,718
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	512,949,135	—	—	512,949,135
TOTAL	512,949,135	—	—	512,949,135

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (30%)	1.00	1,765,107	1,876,395
Bloomberg Barclays Multiverse Bond (10%)	1.00	588,369	625,465
S&P/TSX (30%)	3.00	5,295,321	5,629,184
Net MSCI All Country World Net (30%)	3.00	5,295,321	5,629,184

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN BALANCED – CI SIGNATURE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	19,933
Investments at fair value through profit or loss (FVTPL)	136,248,977	136,905,234
Premiums receivable	181,346	139,253
Receivable for securities sold	5,546	135,049
Interest, dividends and other receivables	—	77
	136,435,869	137,199,546
LIABILITIES		
Current Liabilities		
Bank overdraft	6,074	—
Accrued expenses	330,142	331,296
Withdrawals payable	175,248	307,855
Payable for securities purchased	94,488	20,363
	605,952	659,514
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	135,829,917	136,540,032
NET ASSETS PER UNIT		
Series 5	7.58	7.53
Series 6	6.13	6.08
Series 7	6.26	6.20
Series 8	5.14	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(172)	(338)
Changes in fair value:		
Net realized gain (loss) on investments	208,063	282,376
Net unrealized gain (loss) on investments	2,689,502	4,129,503
	2,897,393	4,411,541
EXPENSES		
Management fees and guarantee charge	1,592,038	1,394,357
Operating expenses	388,231	345,395
	1,980,269	1,739,752
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	917,124	2,671,789
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	577,769	1,949,358
- per unit	0.05	0.16
Average Number of Units	12,816,248	12,163,709
SERIES 6		
Increase (Decrease) in Net Assets from Operations	65,669	657,947
- per unit	0.01	0.13
Average Number of Units	5,268,943	5,208,044
SERIES 7		
Increase (Decrease) in Net Assets from Operations	37,324	64,484
- per unit	0.05	0.15
Average Number of Units	826,916	440,441
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	236,362	—
- per unit	0.14	—
Average Number of Units	1,724,644	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	136,540,032	113,340,170
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>917,124</u>	2,671,789
Premiums		
Series 5	7,289,262	9,601,279
Series 6	4,726,387	5,029,997
Series 7	2,250,517	261,696
Series 8*	<u>10,324,043</u>	—
	24,590,209	14,892,972
Withdrawals		
Series 5	(11,299,626)	(7,544,805)
Series 6	(14,204,100)	(1,335,260)
Series 7	(464,815)	(16,803)
Series 8*	<u>(248,907)</u>	—
	(26,217,448)	(8,896,868)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>135,829,917</u>	122,008,063

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	917,124	2,671,789
Adjustments for:		
Net realized gain (loss)	(208,063)	(282,376)
Net unrealized gain (loss)	(2,689,502)	(4,129,503)
Proceeds from sale/maturity of investments	7,996,315	3,993,854
Investments purchased	(4,442,493)	(8,314,761)
Receivable for securities sold	129,503	(64,159)
Interest, dividends and other receivables	77	—
Accrued expenses	(1,154)	25,886
Payable for securities purchased	74,125	(107,504)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>1,775,932</u>	<u>(6,206,774)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	24,548,116	15,133,263
Amounts paid on withdrawals	(26,350,055)	(8,814,646)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(1,801,939)</u>	<u>6,318,617</u>
Increase (decrease) in cash/ bank overdraft	(26,007)	111,843
Cash (bank overdraft), beginning of period	19,933	(95,849)
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(6,074)</u>	15,994
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	99	338

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Signature Canadian Balanced Fund, Class I	13,821,158	130,328,416	136,248,977
Total Investments		130,328,416	136,248,977
Other Net Assets (-0.3%)			(419,060)
Net Assets (100%)			135,829,917

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
U.S. Treasury Note, 2.875%, May 15, 2028	7.0%
Scotiabank	3.6%
Manulife Financial Corporation	3.2%
Suncor Energy	2.2%
Government of Canada, 1.75%, May 1, 2020	2.0%
Sony Corporation	1.8%
Canadian Imperial Bank of Commerce	1.7%
Encana Corporation	1.7%
Micron Technology	1.6%
Wells Fargo & Company	1.5%
U.S. Treasury Bill, 2.50%, May 31, 2020	1.5%
Synchrony Financial	1.5%
Province of Ontario, 3.50%, June 2, 2024	1.4%
Samsung Electronics	1.4%
Enbridge	1.4%
Canadian Natural Resources	1.4%
Government of Canada, 1.25%, February 1, 2020	1.2%
Province of Ontario, 2.60%, June 2, 2025	1.2%
Toronto-Dominion Bank	1.2%
Nutrien	1.2%
Province of Ontario, 2.80%, June 2, 2048	1.1%
Canadian Pacific Railway	1.1%
Province of Québec, 2.50%, September 1, 2026	1.1%
Power Corporation of Canada	1.0%
Nestlé SA	1.0%

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with an attractive balance of current income and capital appreciation by investing primarily in a combination of Canadian equity and equity-related securities and fixed-income securities.

Strategy of the Fund

For the equity portion, the Fund invests primarily in companies providing a stable income or consistent dividends. For the fixed-income portion, the portfolio advisor selects high-quality fixed-income securities, including bank loans and floating rate debt instruments but may choose to shift the weighting of the portion of the Fund held in bonds with longer terms to maturity depending on the expected fluctuations in interest rates. The Fund may also invest in foreign securities as well as warrants, and derivatives, the latter to aid in hedging against potential losses resulting from changes in the prices of the securities that the Fund has invested in as well as any exposure from foreign currencies.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	136,248,977	—	—	136,248,977
TOTAL	136,248,977	—	—	136,248,977
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	136,905,234	—	—	136,905,234
TOTAL	136,905,234	—	—	136,905,234

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (40%)	1.00	455,601	432,262
S&P/TSX (30%)	3.00	1,025,102	972,589
Net MSCI All Country World Net (30%)	3.00	1,025,102	972,589

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INCOME AND GROWTH – CI SIGNATURE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	25,429	599,304
Investments at fair value through profit or loss (FVTPL)	104,522,412	93,209,284
Premiums receivable	340,350	213,332
	<u>104,888,191</u>	<u>94,021,920</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	248,566	222,928
Withdrawals payable	151,806	81,111
Payable for securities purchased	262,135	726,553
	<u>662,507</u>	<u>1,030,592</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>104,225,684</u>	<u>92,991,328</u>
NET ASSETS PER UNIT		
Series 5	<u>7.19</u>	7.13
Series 6	<u>6.14</u>	6.08
Series 7	<u>6.27</u>	6.19
Series 8	<u>5.14</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	—	(129)
Distributions from underlying funds	3,568,555	2,835,085
Changes in fair value:		
Net realized gain (loss) on investments	152,942	254,687
Net unrealized gain (loss) on investments	(1,263,224)	138,870
	<u>2,458,273</u>	<u>3,228,513</u>
EXPENSES		
Management fees and guarantee charge	1,256,782	1,009,642
Operating expenses	158,834	131,345
	<u>1,415,616</u>	<u>1,140,987</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,042,657</u>	<u>2,087,526</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	467,504	1,128,969
- per unit	0.07	0.18
Average Number of Units	6,453,072	6,180,856
SERIES 6		
Increase (Decrease) in Net Assets from Operations	99,704	895,214
- per unit	0.02	0.15
Average Number of Units	6,364,275	5,879,164
SERIES 7		
Increase (Decrease) in Net Assets from Operations	95,811	63,343
- per unit	0.08	0.17
Average Number of Units	1,237,183	368,664
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	379,638	—
- per unit	0.13	—
Average Number of Units	2,845,513	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	92,991,328	73,023,885
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,042,657</u>	2,087,526
Premiums		
Series 5	8,915,026	5,922,738
Series 6	8,073,148	5,349,916
Series 7	2,081,419	354,769
Series 8*	<u>17,072,893</u>	—
	36,142,486	11,627,423
Withdrawals		
Series 5	(6,137,609)	(5,854,105)
Series 6	(18,699,144)	(1,868,295)
Series 7	(864,666)	(101,383)
Series 8*	<u>(249,368)</u>	—
	(25,950,787)	(7,823,783)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>104,225,684</u>	78,915,051

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,042,657	2,087,526
Adjustments for:		
Net realized gain (loss)	(152,942)	(254,687)
Net unrealized gain (loss)	1,263,224	(138,870)
Non-cash distribution from investments	(3,568,555)	(2,835,085)
Proceeds from sale/maturity of investments	2,640,158	3,611,999
Investments purchased	(11,495,013)	(6,381,501)
Receivable for securities sold	—	(2,129)
Accrued expenses	25,638	18,410
Payable for securities purchased	<u>(464,418)</u>	(967,036)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(10,709,251)</u>	(4,861,373)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	36,015,468	12,631,518
Amounts paid on withdrawals	<u>(25,880,092)</u>	(7,776,508)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>10,135,376</u>	4,855,010
Increase (decrease) in cash/ bank overdraft	(573,875)	(6,363)
Cash (bank overdraft), beginning of period	<u>599,304</u>	9,601
CASH (BANK OVERDRAFT), END OF PERIOD	<u>25,429</u>	3,238
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	—	129

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Signature Income & Growth Fund, Class I	10,590,232	98,805,791	104,522,412
Total Investments		98,805,791	104,522,412
Other Net Assets (-0.3%)			(296,728)
Net Assets (100%)			104,225,684

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
U.S. Treasury Bill, 2.50%, May 31, 2020	5.1%
Scotiabank	3.5%
Manulife Financial Corporation	3.2%
Suncor Energy	2.2%
Sony Corporation	1.7%
Canadian Imperial Bank of Commerce	1.7%
Encana Corporation	1.6%
Micron Technology	1.6%
Government of Canada, 1.75%, May 1, 2020	1.6%
Wells Fargo & Company	1.5%
Synchrony Financial	1.5%
Royal Bank of Canada	1.4%
Enbridge	1.4%
Canadian Natural Resources	1.3%
Samsung Electronics	1.3%
Toronto-Dominion Bank	1.2%
Nutrien	1.1%
Canadian Pacific Railway	1.1%
Power Corporation of Canada	1.0%
Province of Ontario, 3.50%, June 2, 2024	1.0%
Nestlé SA	1.0%
Alibaba Group	0.9%
Canadian National Railway Company	0.9%
Government of Canada, 1.25%, February 1, 2020	0.9%
Province of Ontario, 2.60%, June 2, 2025	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to provide a steady flow of current income while preserving capital by obtaining exposure primarily to equity, equity related and fixed-income securities of Canadian issuers.

Strategy of the Fund

The Fund invests in a combination of equity, fixed-income and derivatives. Broadly diversified by sector and style, preferred and common shares make up portions of the Fund's investments in equity securities. The fixed-income portion of the Fund's investments is comprised of high-yielding government and corporate bonds, debentures and notes, including some securities that are unrated or have credit ratings below investment grade. The Fund may also invest in real estate investment trusts (REITs), royalty trusts, income trusts and other similar high yielding instruments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	104,522,412	—	—	104,522,412
TOTAL	104,522,412	—	—	104,522,412

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	93,209,284	—	—	93,209,284
TOTAL	93,209,284	—	—	93,209,284

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (15%)	1.00	133,655	114,641
Merrill Lynch High Yield Master II (15%)	2.00	267,310	229,283
S&P/TSX Composite High Dividend (10%)	3.00	267,310	229,283
S&P/TSX (30%)	3.00	801,929	687,849
Net MSCI All Country World Net (30%)	3.00	801,929	687,849

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30	December 31
	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash	468,571	455,769
Investments at fair value through profit or loss (FVTPL)	210,117,254	191,039,845
Premiums receivable	494,672	175,751
Receivable for securities sold	—	21,496
	<u>211,080,497</u>	<u>191,692,861</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	505,817	464,663
Withdrawals payable	476,705	229,606
Payable for securities purchased	152,182	77,271
	<u>1,134,704</u>	<u>771,540</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>209,945,793</u>	<u>190,921,321</u>
NET ASSETS PER UNIT		
Series 3	<u>6.90</u>	6.74
Series 5	<u>7.37</u>	7.18
Series 6	<u>6.47</u>	6.30
Series 7	<u>6.62</u>	6.42
Series 8	<u>5.14</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	694	—
Distributions from underlying funds	1,904,182	1,228,350
Changes in fair value:		
Net realized gain (loss) on investments	1,562,714	2,258,345
Net unrealized gain (loss) on investments	4,888,905	6,267,117
	<u>8,356,495</u>	<u>9,753,812</u>
EXPENSES		
Management fees and guarantee charge	2,415,521	2,090,683
Operating expenses	489,388	452,491
	<u>2,904,909</u>	<u>2,543,174</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>5,451,586</u>	<u>7,210,638</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	43,782	71,219
- per unit	0.15	0.25
Average Number of Units	<u>299,582</u>	280,154
SERIES 5		
Increase (Decrease) in Net Assets from Operations	3,980,411	6,124,067
- per unit	0.19	0.28
Average Number of Units	<u>20,729,671</u>	21,585,304
SERIES 6		
Increase (Decrease) in Net Assets from Operations	907,764	949,485
- per unit	0.15	0.23
Average Number of Units	<u>5,915,129</u>	4,047,964
SERIES 7		
Increase (Decrease) in Net Assets from Operations	247,412	65,867
- per unit	0.24	0.26
Average Number of Units	<u>1,051,880</u>	257,035
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	272,217	—
- per unit	0.13	—
Average Number of Units	<u>2,093,823</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	190,921,321	167,895,979
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>5,451,586</u>	7,210,638
Premiums		
Series 3	450,570	60,143
Series 5	15,671,867	9,468,490
Series 6	12,132,418	6,973,776
Series 7	4,300,043	324,700
Series 8*	12,890,345	—
	<u>45,445,243</u>	16,827,109
Withdrawals		
Series 3	(408,732)	(419,203)
Series 5	(15,462,412)	(15,052,559)
Series 6	(15,304,739)	(999,988)
Series 7	(406,738)	(147,179)
Series 8*	(289,736)	—
	<u>(31,872,357)</u>	(16,618,929)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	209,945,793	175,314,797

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	5,451,586	7,210,638
Adjustments for:		
Net realized gain (loss)	(1,562,714)	(2,258,345)
Net unrealized gain (loss)	(4,888,905)	(6,267,117)
Non-cash distribution from investments	(1,904,182)	(1,228,350)
Proceeds from sale/maturity of investments	5,069,477	7,634,233
Investments purchased	(15,791,085)	(5,327,923)
Receivable for securities sold	21,496	(108,922)
Accrued expenses	41,154	24,905
Payable for securities purchased	74,911	(305,167)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(13,488,262)	(626,048)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	45,126,322	17,069,992
Amounts paid on withdrawals	(31,625,258)	(16,707,518)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	13,501,064	362,474
Increase (decrease) in cash/bank overdraft	12,802	(263,574)
Cash (bank overdraft), beginning of period	455,769	615,610
CASH (BANK OVERDRAFT), END OF PERIOD	468,571	352,036
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	714	—
Interest paid	20	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
NEI Growth and Income Fund, Series I	26,249,891	145,413,608	210,117,254
Total Investments		145,413,608	210,117,254
Other Net Assets (-0.1%)			(171,461)
Net Assets (100%)			209,945,793

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
NEI Global Equity Fund	33.3%
NEI Canadian Bond Fund	19.9%
Toronto-Dominion Bank	4.1%
Scotiabank	3.6%
Quebecor	3.0%
FirstService Corporation	2.9%
Bombardier	2.9%
Colliers International Group	2.8%
Onex Corporation	2.4%
Manulife Financial Corporation	2.2%
Rogers Communications	2.2%
Magna International	2.1%
Sun Life Financial	2.1%
Air Canada	2.0%
TELUS Corporation	1.9%
NorthWest Healthcare Properties Real Estate Investment Trust	1.4%
Thomson Reuters Corporation	1.4%
Vermilion Energy	1.3%
First Quantum Minerals	1.2%
BCE	1.0%
Pason Systems	1.0%
Precision Drilling Corporation	0.9%
TMX Group	0.7%
Badger Daylighting	0.7%
Bonterra Energy	0.7%

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide a consistent stream of income and capital appreciation by investing primarily in a mix of Canadian equities and fixed-income securities.

Strategy of the Fund

To invest in a diversified portfolio consisting primarily of a balance of large cap equity and investment grade fixed-income securities issued principally by Canadian issuers.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	210,117,254	—	—	210,117,254
TOTAL	210,117,254	—	—	210,117,254

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	191,039,845	—	—	191,039,845
TOTAL	191,039,845	—	—	191,039,845

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe			
Bond (25%)	1.00	503,875	460,261
S&P/TSX (55%)	3.00	3,325,573	3,037,721
MSCI World Net (20%)	3.00	1,209,299	1,104,626

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL GROWTH – NEI SELECT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	108,495	88,509
Investments at fair value through profit or loss (FVTPL)	129,213,872	115,139,660
Premiums receivable	564,509	63,252
Receivable for securities sold	—	88,442
	<u>129,886,876</u>	<u>115,379,863</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	331,029	294,182
Withdrawals payable	364,206	244,808
Payable for securities purchased	163,992	43,836
	<u>859,227</u>	<u>582,826</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>129,027,649</u>	<u>114,797,037</u>
NET ASSETS PER UNIT		
Series 3	<u>8.33</u>	8.30
Series 5	<u>8.96</u>	8.90
Series 6	<u>6.33</u>	6.28
Series 7	<u>6.45</u>	6.38
Series 8	<u>5.06</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	15	(234)
Changes in fair value:		
Net realized gain (loss) on investments	358,799	265,469
Net unrealized gain (loss) on investments	2,347,775	4,545,412
	<u>2,706,589</u>	<u>4,810,647</u>
EXPENSES		
Management fees and guarantee charge	1,582,049	1,287,285
Operating expenses	302,290	260,671
	<u>1,884,339</u>	<u>1,547,956</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>822,250</u>	<u>3,262,691</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	9,629	111,012
- per unit	0.02	0.24
Average Number of Units	421,974	467,318
SERIES 5		
Increase (Decrease) in Net Assets from Operations	518,048	2,452,464
- per unit	0.06	0.28
Average Number of Units	9,116,746	8,684,354
SERIES 6		
Increase (Decrease) in Net Assets from Operations	178,689	658,267
- per unit	0.04	0.20
Average Number of Units	4,411,658	3,355,803
SERIES 7		
Increase (Decrease) in Net Assets from Operations	49,068	40,948
- per unit	0.05	0.09
Average Number of Units	1,041,372	454,142
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	66,816	—
- per unit	0.04	—
Average Number of Units	1,626,882	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	114,797,037	93,820,166
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>822,250</u>	3,262,691
Premiums		
Series 3	265,689	87,809
Series 5	13,333,930	7,536,859
Series 6	7,454,250	4,981,424
Series 7	1,869,530	1,985,697
Series 8*	9,594,611	—
	<u>32,518,010</u>	14,591,789
Withdrawals		
Series 3	(645,775)	(219,721)
Series 5	(7,433,226)	(6,952,778)
Series 6	(10,422,750)	(948,746)
Series 7	(571,814)	(32,964)
Series 8*	(36,083)	—
	<u>(19,109,648)</u>	(8,154,209)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>129,027,649</u>	103,520,437

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	822,250	3,262,691
Adjustments for:		
Net realized gain (loss)	(358,799)	(265,469)
Net unrealized gain (loss)	(2,347,775)	(4,545,412)
Proceeds from sale/maturity of investments	3,537,756	3,307,073
Investments purchased	(14,905,394)	(8,116,159)
Receivable for securities sold	88,442	(159,513)
Accrued expenses	36,847	32,181
Payable for securities purchased	120,156	(245,577)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(13,006,517)</u>	(6,730,185)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	32,016,753	14,476,547
Amounts paid on withdrawals	(18,990,250)	(7,795,991)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>13,026,503</u>	6,680,556
Increase (decrease) in cash/ bank overdraft	19,986	(49,629)
Cash (bank overdraft), beginning of period	88,509	130,982
CASH (BANK OVERDRAFT), END OF PERIOD	<u>108,495</u>	81,353
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	86	—
Interest paid	71	234

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL GROWTH – NEI SELECT (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
NEI Select Growth Portfolio, Series I	10,456,904	115,822,582	129,213,872
Total Investments		115,822,582	129,213,872
Other Net Assets (-0.1%)			(186,223)
Net Assets (100%)			129,027,649

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
NEI International Equity RS Fund	13.1%
NEI Global Equity RS Fund	13.0%
NEI Global Equity Fund	12.0%
NEI Global Total Return Bond Fund	10.1%
NEI Global Value Fund	9.9%
NEI Emerging Markets Fund	9.1%
NEI U.S. Dividend Fund	8.0%
NEI Canadian Small Cap Equity Fund	7.1%
NEI Canadian Dividend Fund	6.0%
NEI Canadian Equity Fund	5.1%
NEI Global High Yield Bond Fund	4.0%
NEI Canadian Bond Fund	3.0%
Cash and Cash Equivalents	-0.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of individual underlying funds in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests to a lesser extent, in fixed-income underlying funds in order to provide income and capital preservation.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	129,213,872	—	—	129,213,872
TOTAL	129,213,872	—	—	129,213,872
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	115,139,660	—	—	115,139,660
TOTAL	115,139,660	—	—	115,139,660

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL GROWTH – NEI SELECT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (30%)	1.00	389,409	339,096
S&P/TSX (14%)	3.00	545,172	474,735
MSCI World Net (56%)	3.00	2,180,690	1,898,940

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30	December 31
	2018	2017
	\$	\$
ASSETS		
Current Assets		
Cash	135	594
Investments at fair value through profit or loss (FVTPL)	16,285,649	16,409,932
Premiums receivable	806	62,120
Receivable for securities sold	25,937	—
	<u>16,312,527</u>	<u>16,472,646</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	35,723	36,980
Withdrawals payable	56,311	7,398
Payable for securities purchased	—	4,464
	<u>92,034</u>	<u>48,842</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>16,220,493</u>	<u>16,423,804</u>
NET ASSETS PER UNIT		
Series 5	<u>7.29</u>	7.34
Series 6	<u>5.94</u>	5.98
Series 7	<u>6.07</u>	6.09
Series 8	<u>5.07</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Distributions from underlying funds	615,271	727,874
Changes in fair value:		
Net realized gain (loss) on investments	72,870	68,730
Net unrealized gain (loss) on investments	(550,852)	(495,639)
	<u>137,289</u>	<u>300,965</u>
EXPENSES		
Management fees and guarantee charge	196,843	183,901
Operating expenses	21,004	19,672
	<u>217,847</u>	<u>203,573</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(80,558)</u>	<u>97,392</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>(52,296)</u>	48,279
- per unit	<u>(0.07)</u>	0.06
Average Number of Units	<u>745,992</u>	874,385
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(82,317)</u>	47,371
- per unit	<u>(0.07)</u>	0.04
Average Number of Units	<u>1,179,912</u>	1,292,238
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>21,723</u>	1,742
- per unit	<u>0.04</u>	0.02
Average Number of Units	<u>508,093</u>	105,056
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>32,332</u>	—
- per unit	<u>0.06</u>	—
Average Number of Units	<u>506,092</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>16,423,804</u>	13,621,417
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(80,558)</u>	97,392
Premiums		
Series 5	196,101	739,608
Series 6	370,972	1,749,434
Series 7	1,650,354	546,595
Series 8*	<u>3,082,650</u>	—
	<u>5,300,077</u>	3,035,637
Withdrawals		
Series 5	(1,075,366)	(629,303)
Series 6	(4,066,249)	(451,105)
Series 7	(153,935)	(56,692)
Series 8*	<u>(127,280)</u>	—
	<u>(5,422,830)</u>	(1,137,100)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>16,220,493</u>	15,617,346

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(80,558)	97,392
Adjustments for:		
Net realized gain (loss)	(72,870)	(68,730)
Net unrealized gain (loss)	550,852	495,639
Non-cash distribution from investments	(615,271)	(727,874)
Proceeds from sale/maturity of investments	1,490,230	736,509
Investments purchased	(1,228,658)	(2,425,734)
Receivable for securities sold	(25,937)	771
Accrued expenses	(1,257)	4,446
Payable for securities purchased	(4,464)	115,008
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>12,067</u>	(1,772,573)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	5,361,391	2,940,911
Amounts paid on withdrawals	(5,373,917)	(1,135,178)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(12,526)</u>	1,805,733
Increase (decrease) in cash/ bank overdraft	(459)	33,160
Cash (bank overdraft), beginning of period	594	30,109
CASH (BANK OVERDRAFT), END OF PERIOD	<u>135</u>	63,269

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Cambridge Canadian Asset Allocation Corporate Class, I Shares	888,668	15,613,899	16,285,649
Total Investments		15,613,899	16,285,649
Other Net Assets (-0.4%)			(65,156)
Net Assets (100%)			16,220,493

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Cambridge Bond Fund	29.6%
Cambridge Cdn Short Term Bond Fund	13.3%
Cambridge Premium Yld Fund	4.2%
CSX Corporation	2.2%
Athene Holding	2.1%
Tourmaline Oil Corporation	2.0%
Anthem	2.0%
Nutrien	1.9%
Praxair	1.9%
Canadian Pacific Railway	1.8%
Gilead Sciences	1.8%
Keyera Corporation	1.7%
Emera	1.7%
Walgreens Boots Alliance	1.7%
Restaurant Brands International	1.7%
Hydro One	1.6%
Verizon Communications	1.6%
Thomson Reuters Corporation	1.6%
Weston George	1.6%
Crown Holdings	1.6%
Intact Financial Corporation	1.6%
Kinder Morgan Canada	1.4%
Melrose Industries	1.3%
Alphabet	1.3%
Franco-Nevada Corporation	1.1%

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to achieve a superior total investment return directly or indirectly, in a combination of primarily equity and fixed-income securities of Canadian companies. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds.

Strategy of the Fund

The Fund is actively managed with a disciplined bottom-up selection process. The strategy uses exposure in equity, fixed-income instruments and cash and cash equivalents to achieve the Fund objective. The investments in each asset class will vary dependent on market conditions. The Canadian fixed-income securities portion of the portfolio will consist mainly of high quality government and corporate bonds while foreign securities can make up part of the equity portion of the portfolio.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	16,285,649	—	—	16,285,649
TOTAL	16,285,649	—	—	16,285,649

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	16,409,932	—	—	16,409,932
TOTAL	16,409,932	—	—	16,409,932

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
FTSE TMX Canada Universe Bond (40%)	1.00	41,290	48,469
S&P/TSX (60%)	3.00	185,807	218,108

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	55,515,991	57,393,786
Premiums receivable	6,178	821
Receivable for securities sold	1,500	11,753
	<u>55,523,669</u>	<u>57,406,360</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	1,331	10,085
Accrued expenses	149,308	154,171
Withdrawals payable	49,859	37,536
Payable for securities purchased	30	—
	<u>200,528</u>	<u>201,792</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>55,323,141</u>	<u>57,204,568</u>
NET ASSETS PER UNIT		
Series 3	<u>6.38</u>	6.35
Series 5	<u>6.65</u>	6.61
Series 6	<u>6.05</u>	6.00
Series 7	<u>6.16</u>	6.10
Series 8	<u>5.08</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(40)	(168)
Changes in fair value:		
Net realized gain (loss) on investments	1,480,515	1,064,222
Net unrealized gain (loss) on investments	(219,806)	1,368,292
	<u>1,260,669</u>	<u>2,432,346</u>
EXPENSES		
Management fees and guarantee charge	750,639	770,231
Operating expenses	147,163	151,860
	<u>897,802</u>	<u>922,091</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>362,867</u>	<u>1,510,255</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	9,210	58,820
- per unit	0.03	0.15
Average Number of Units	364,152	388,097
SERIES 5		
Increase (Decrease) in Net Assets from Operations	319,621	1,362,947
- per unit	0.04	0.17
Average Number of Units	7,475,276	8,076,509
SERIES 6		
Increase (Decrease) in Net Assets from Operations	22,861	87,335
- per unit	0.04	0.15
Average Number of Units	581,696	586,514
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(101)	1,153
- per unit	—	0.12
Average Number of Units	29,231	9,803
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	11,276	—
- per unit	0.06	—
Average Number of Units	190,874	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	57,204,568	56,538,880
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>362,867</u>	1,510,255
Premiums		
Series 3	78,620	34,606
Series 5	1,141,668	705,090
Series 6	789,506	639,593
Series 7	189,592	29,018
Series 8*	1,234,747	—
	<u>3,434,133</u>	1,408,307
Withdrawals		
Series 3	(198,944)	(123,306)
Series 5	(3,776,819)	(2,681,133)
Series 6	(1,551,558)	(286,506)
Series 7	(130)	(69)
Series 8*	(150,976)	—
	<u>(5,678,427)</u>	(3,091,014)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	55,323,141	56,366,428

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	362,867	1,510,255
Adjustments for:		
Net realized gain (loss)	(1,480,515)	(1,064,222)
Net unrealized gain (loss)	219,806	(1,368,292)
Proceeds from sale/maturity of investments	3,994,821	3,004,952
Investments purchased	(856,317)	(407,102)
Receivable for securities sold	10,253	(84,197)
Accrued expenses	(4,863)	3,388
Payable for securities purchased	30	(570)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2,246,082	1,594,212
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,428,776	1,365,148
Amounts paid on withdrawals	(5,666,104)	(2,960,920)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(2,237,328)	(1,595,772)
Increase (decrease) in cash/ bank overdraft	8,754	(1,560)
Cash (bank overdraft), beginning of period	<u>(10,085)</u>	(142)
CASH (BANK OVERDRAFT), END OF PERIOD	(1,331)	(1,702)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	<u>40</u>	168

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Franklin Quotential Growth Portfolio	4,728,790	34,772,735	55,515,991
Total Investments		34,772,735	55,515,991
Other Net Assets (-0.3%)			(192,850)
Net Assets (100%)			55,323,141

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin U.S. Rising Dividends Fund	8.2%
Franklin Bissett Canadian Equity Fund	8.0%
Franklin Templeton Canadian Large Cap Fund	6.0%
Franklin Bissett Core Plus Bond Fund	5.9%
Franklin LibertyQT U.S. Equity Index ETF	5.8%
Franklin ActiveQuant Canadian Fund	5.8%
Franklin U.S. Opportunities Fund	5.7%
Franklin Select U.S. Equity Fund	5.7%
Franklin Mutual European Fund	5.2%
iShares S&P/TSX 60 Index ETF	5.0%
Franklin Bissett Canadian Government Bond Fund	4.1%
Templeton Euroland Fund	3.5%
Franklin Japan Fund	3.4%
Templeton Asian Growth Fund	3.3%
Financial Select Sector SPDR ETF	3.3%
iShares MSCI Japan ETF	2.5%
SPDR Euro Stoxx 50 ETF	2.5%
Franklin Bissett Small Cap Fund	2.2%
iShares Core MSCI Emerging Markets ETF	2.0%
Franklin Bissett Canadian Short Term Bond Fund	1.7%
Templeton Emerging Markets Smaller Companies Fund	1.7%
Templeton Global Bond Fund	1.3%
Franklin Strategic Income Fund	0.9%
Franklin Liberty Global Aggregate Bond ETF	0.7%
Templeton Frontier Markets Fund	0.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in a diversified mix of equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests, to a lesser extent, in fixed-income underlying funds in order to provide income and capital preservation.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	55,515,991	—	—	55,515,991
TOTAL	55,515,991	—	—	55,515,991

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	57,393,786	—	—	57,393,786
TOTAL	57,393,786	—	—	57,393,786

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price %	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018 \$	December 31, 2017 \$
FTSE TMX Canada Universe Bond (15%)	1.00	94,591	99,868
Bloomberg Barclays Multiverse Bond (5%)	1.00	31,530	33,289
S&P/TSX (35%)	3.00	662,136	699,074
Net MSCI All Country World Net (45%)	3.00	851,318	898,810

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – DIVIDEND INCOME – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	43,002
Investments at fair value through profit or loss (FVTPL)	176,677,387	190,878,114
Premiums receivable	130,625	10,118
Receivable for securities sold	367,790	75,109
	177,175,802	191,006,343
LIABILITIES		
Current Liabilities		
Bank overdraft	210,938	—
Accrued expenses	440,976	479,402
Withdrawals payable	384,433	168,643
	1,036,347	648,045
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	176,139,455	190,358,298
NET ASSETS PER UNIT		
Series 3	12.48	12.69
Series 5	13.07	13.26
Series 6	5.72	5.79
Series 7	5.84	5.91
Series 8	5.19	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	—	(508)
Distributions from underlying funds	2,242,986	2,433,626
Changes in fair value:		
Net realized gain (loss) on investments	2,318,084	2,258,975
Net unrealized gain (loss) on investments	(4,794,356)	(2,127,123)
	(233,286)	2,564,970
EXPENSES		
Management fees and guarantee charge	2,026,379	2,287,041
Operating expenses	645,478	736,143
	2,671,857	3,023,184
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	(2,905,143)	(458,214)
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(597,557)	(138,640)
- per unit	(0.23)	(0.05)
Average Number of Units	2,640,703	3,041,654
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(2,181,626)	(284,122)
- per unit	(0.21)	(0.02)
Average Number of Units	10,436,715	11,715,959
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(206,304)	(34,251)
- per unit	(0.12)	(0.02)
Average Number of Units	1,742,354	1,571,472
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(14,743)	(1,201)
- per unit	(0.08)	(0.01)
Average Number of Units	192,547	117,332
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	95,087	—
- per unit	0.18	—
Average Number of Units	516,116	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – DIVIDEND INCOME – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	190,358,298	202,319,006
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(2,905,143)</u>	(458,214)
Premiums		
Series 3	899,228	936,687
Series 5	3,184,876	5,026,115
Series 6	2,111,172	2,053,156
Series 7	125,119	119,862
Series 8*	3,125,609	—
	<u>9,446,004</u>	8,135,820
Withdrawals		
Series 3	(3,108,705)	(3,603,861)
Series 5	(13,276,085)	(12,048,473)
Series 6	(4,140,955)	(786,567)
Series 7	(168,556)	(6,228)
Series 8*	(65,403)	—
	<u>(20,759,704)</u>	(16,445,129)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	176,139,455	193,551,483

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(2,905,143)	(458,214)
Adjustments for:		
Net realized gain (loss)	(2,318,084)	(2,258,975)
Net unrealized gain (loss)	4,794,356	2,127,123
Non-cash distribution from investments	(2,242,986)	(2,433,626)
Proceeds from sale/maturity of investments	14,197,378	12,384,414
Investments purchased	(229,937)	(1,050,456)
Receivable for securities sold	(292,681)	(221,564)
Accrued expenses	(38,426)	(14,940)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	10,964,477	8,073,762
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,325,497	8,143,567
Amounts paid on withdrawals	(20,543,914)	(16,257,442)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(11,218,417)	(8,113,875)
Increase (decrease) in cash/ bank overdraft	(253,940)	(40,113)
Cash (bank overdraft), beginning of period	43,002	35,337
CASH (BANK OVERDRAFT), END OF PERIOD	(210,938)	(4,776)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	113	—
Interest paid	113	508

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Franklin Bissett Dividend Income Fund, Series O	4,084,082	145,419,486	176,677,387
Total Investments		145,419,486	176,677,387
Other Net Assets (-0.3%)			(537,932)
Net Assets (100%)			176,139,455

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Royal Bank of Canada	3.6%
Canadian Imperial Bank of Commerce	3.1%
Toronto-Dominion Bank	3.1%
Canadian National Railway Company	2.9%
Enbridge	2.5%
Bank of Montreal	2.4%
Scotiabank	2.4%
IGM Financial	2.3%
Power Financial Corporation	2.1%
Inter Pipeline	2.0%
Rogers Communications	1.9%
TELUS Corporation	1.8%
Brookfield Renewable Partners	1.8%
Nutrien	1.8%
Vermilion Energy	1.7%
Fortis	1.6%
Brookfield Property Partners	1.5%
Brookfield Infrastructure Partners	1.5%
Restaurant Brands International	1.5%
McDonald's Corporation	1.4%
Pfizer	1.4%
JPMorgan Chase & Company	1.4%
Metro	1.4%
Wells Fargo & Company	1.3%
Freehold Royalties	1.3%

DFS GIF – DIVIDEND INCOME – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide the investor with a consistent return through investment in dividend paying common shares and preferred shares.

Strategy of the Fund

To invest in a diversified portfolio of large cap Canadian issuer preferred shares and common shares as well as common shares of large cap United States issuers with long histories of dividend growth. From time to time the Fund also invests in investment grade interest-bearing securities to a maximum of 25% of the total assets of the Fund.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	176,677,387	—	—	176,677,387
TOTAL	176,677,387	—	—	176,677,387
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	190,878,114	—	—	190,878,114
TOTAL	190,878,114	—	—	190,878,114

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
	%	June 30, 2018	December 31, 2017
		\$	\$
FTSE TMX Canada Universe Bond (15%)	1.00	253,470	268,194
S&P/TSX Preferred Share (5%)	3.00	253,470	268,194
S&P/TSX (60%)	3.00	3,041,642	3,218,330
S&P 500 (20%)	3.00	1,013,881	1,072,777

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	108,967	58,213
Investments at fair value through profit or loss (FVTPL)	24,275,675	24,378,176
Premiums receivable	119,150	2,988
Receivable for securities sold	58,419	—
	<u>24,562,211</u>	<u>24,439,377</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	60,253	61,200
Withdrawals payable	273,960	4,639
Payable for securities purchased	50,997	1,087
	<u>385,210</u>	<u>66,926</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>24,177,001</u>	<u>24,372,451</u>
NET ASSETS PER UNIT		
Series 5	<u>8.26</u>	8.35
Series 6	<u>6.33</u>	6.40
Series 7	<u>6.43</u>	6.48
Series 8	<u>5.15</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	108	—
Distributions from underlying funds	482,995	424,540
Changes in fair value:		
Net realized gain (loss) on investments	18,580	147,302
Net unrealized gain (loss) on investments	(385,909)	(1,197,691)
	<u>115,774</u>	<u>(625,849)</u>
EXPENSES		
Management fees and guarantee charge	315,841	316,825
Operating expenses	42,367	43,321
	<u>358,208</u>	<u>360,146</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(242,434)</u>	<u>(985,995)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>(211,487)</u>	(783,459)
- per unit	<u>(0.10)</u>	(0.33)
Average Number of Units	<u>2,202,994</u>	2,359,132
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(82,098)</u>	(195,690)
- per unit	<u>(0.11)</u>	(0.27)
Average Number of Units	<u>774,415</u>	725,697
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>12,502</u>	(6,846)
- per unit	<u>0.14</u>	(0.30)
Average Number of Units	<u>89,768</u>	22,584
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>38,649</u>	—
- per unit	<u>0.13</u>	—
Average Number of Units	<u>292,053</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	24,372,451	23,262,308
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(242,434)</u>	(985,995)
Premiums		
Series 5	1,537,058	2,862,884
Series 6	1,055,979	1,411,471
Series 7	391,362	125,000
Series 8*	1,965,380	—
	<u>4,949,779</u>	4,399,355
Withdrawals		
Series 5	(2,405,052)	(3,165,530)
Series 6	(2,339,619)	(138,255)
Series 7	(56,672)	(32,545)
Series 8*	(101,452)	—
	<u>(4,902,795)</u>	(3,336,330)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	24,177,001	23,339,338

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(242,434)	(985,995)
Adjustments for:		
Net realized gain (loss)	(18,580)	(147,302)
Net unrealized gain (loss)	385,909	1,197,691
Non-cash distribution from investments	(482,995)	(424,540)
Proceeds from sale/maturity of investments	1,269,581	1,034,592
Investments purchased	(1,051,414)	(1,813,603)
Receivable for securities sold	(58,419)	(26,286)
Accrued expenses	(947)	1,573
Payable for securities purchased	49,910	(24,215)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(149,389)	(1,188,085)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	4,833,617	4,486,895
Amounts paid on withdrawals	(4,633,474)	(3,312,289)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	200,143	1,174,606
Increase (decrease) in cash/ bank overdraft	50,754	(13,479)
Cash (bank overdraft), beginning of period	58,213	68,003
CASH (BANK OVERDRAFT), END OF PERIOD	108,967	54,524
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	108	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
NEI Canadian Dividend Fund, Series I	1,477,000	23,689,277	24,275,675
Total Investments		23,689,277	24,275,675
Other Net Assets (-0.4%)			(98,674)
Net Assets (100%)			24,177,001

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	5.4%
Royal Bank of Canada	4.5%
BCE	3.1%
Cenovus Energy	2.9%
Metro	2.8%
Husky Energy	2.7%
Inter Pipeline	2.7%
Brookfield Property Partners	2.7%
Rogers Communications	2.6%
Power Financial Corporation	2.6%
Enbridge	2.4%
Enbridge Income Fund Holdings	2.3%
Nutrien	2.3%
Canadian Imperial Bank of Commerce	2.3%
Scotiabank	2.3%
Shaw Communications	2.3%
Manulife Financial Corporation	2.3%
Bank of Montreal	2.2%
Hydro One	2.2%
Crescent Point Energy	2.2%
TELUS Corporation	2.1%
Sun Life Financial	2.0%
RioCan Real Estate Investment Trust	2.0%
Intact Financial Corporation	2.0%
Chartwell Retirement	1.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue chip Canadian common stocks and, to a lesser extent, in high-yield preferred stocks and interest bearing securities.

Strategy of the Fund

The Fund invests in primarily blue chip common stocks but may also invest in preferred stocks, bonds, purchase warrants and rights, royalty trusts and income trusts with preference given to capital growth while still providing a high regular level of income. Quality liquid corporations whose management has built shareholder value over time not to mention a proven ability to generate free cash flow, supporting growth and profitability as well as providing management with the ability to make strategic acquisitions, buy back stock and pay increasing dividends are preferred investments for this Fund. While equity securities including preferred stocks providing stable income are favoured, any small, mid and large capitalization Canadian corporations in a variety of industries meeting these criteria will be considered.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	24,275,675	—	—	24,275,675
TOTAL	24,275,675	—	—	24,275,675
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	24,378,176	—	—	24,378,176
TOTAL	24,378,176	—	—	24,378,176

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX	3.00	601,004	586,615

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	133,571,192	146,988,793
Premiums receivable	64,021	213,064
Interest, dividends and other receivables	816	—
	<u>133,636,029</u>	<u>147,201,857</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	50,690	26,619
Accrued expenses	324,192	404,490
Withdrawals payable	253,049	82,920
	<u>627,931</u>	<u>514,029</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>133,008,098</u>	<u>146,687,828</u>
NET ASSETS PER UNIT		
Series 3	<u>7.66</u>	7.65
Series 5	<u>8.20</u>	8.16
Series 6	<u>5.88</u>	5.85
Series 7	<u>5.96</u>	5.91
Series 8	<u>5.27</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	742	(406)
Distributions from underlying funds	1,830,238	1,792,429
Changes in fair value:		
Net realized gain (loss) on investments	1,106,814	654,866
Net unrealized gain (loss) on investments	(716,531)	(2,330,560)
	<u>2,221,263</u>	<u>116,329</u>
EXPENSES		
Management fees and guarantee charge	1,455,387	1,631,123
Operating expenses	530,177	602,945
	<u>1,985,564</u>	<u>2,234,068</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>235,699</u>	<u>(2,117,739)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	<u>(2,726)</u>	(59,373)
- per unit	<u>(0.01)</u>	(0.12)
Average Number of Units	<u>428,184</u>	488,664
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>194,988</u>	(2,033,836)
- per unit	<u>0.01</u>	(0.11)
Average Number of Units	<u>16,257,926</u>	18,578,385
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(3,469)</u>	(18,014)
- per unit	<u>(0.01)</u>	(0.09)
Average Number of Units	<u>297,178</u>	203,246
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>23,823</u>	(6,516)
- per unit	<u>0.16</u>	(0.20)
Average Number of Units	<u>148,941</u>	31,975
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>23,083</u>	—
- per unit	<u>0.25</u>	—
Average Number of Units	<u>93,170</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	146,687,828	154,950,566
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>235,699</u>	(2,117,739)
Premiums		
Series 3	63,546	38,449
Series 5	2,040,061	1,749,753
Series 6	334,100	459,086
Series 7	468,034	260,010
Series 8*	527,964	—
	<u>3,433,705</u>	2,507,298
Withdrawals		
Series 3	(393,061)	(518,139)
Series 5	(16,250,774)	(8,686,009)
Series 6	(702,820)	(43,528)
Series 7	(223)	—
Series 8*	(2,256)	—
	<u>(17,349,134)</u>	(9,247,676)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	133,008,098	146,092,449

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	235,699	(2,117,739)
Adjustments for:		
Net realized gain (loss)	(1,106,814)	(654,866)
Net unrealized gain (loss)	716,531	2,330,560
Non-cash distribution from investments	(1,830,238)	(1,792,429)
Proceeds from sale/maturity of investments	15,952,924	15,402,274
Investments purchased	(314,802)	(6,191,769)
Receivable for securities sold	—	29,051
Interest, dividends and other receivables	(816)	—
Accrued expenses	(80,298)	(20,776)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	13,572,186	6,984,306
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,582,748	2,494,556
Amounts paid on withdrawals	(17,179,005)	(9,443,541)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(13,596,257)	(6,948,985)
Increase (decrease) in cash/bank overdraft	(24,071)	35,321
Cash (bank overdraft), beginning of period	(26,619)	(32,889)
CASH (BANK OVERDRAFT), END OF PERIOD	(50,690)	2,432
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	12	—
Interest paid	92	406

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
Jarislowsky Fraser Canadian Equity Fund	3,933,435	120,716,238	133,571,192
Total Investments		120,716,238	133,571,192
Other Net Assets (-0.4%)			(563,094)
Net Assets (100%)			133,008,098

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	9.1%
Royal Bank of Canada	6.9%
Jarislowsky Fraser Special Equity Fund	6.4%
Scotiabank	5.8%
Enbridge	5.7%
Canadian National Railway Company	5.7%
Canadian Natural Resources	4.8%
Nutrien	4.1%
Manulife Financial Corporation	3.6%
Open Text Corporation	3.5%
Alimentation Couche-Tard	3.4%
CGI Group	3.4%
Saputo	2.7%
Pembina Pipeline Corporation	2.7%
CCL Industries	2.6%
Thomson Reuters Corporation	2.6%
Gildan Activewear	2.5%
SNC-Lavalin Group	2.5%
Canadian Tire Corporation	2.3%
Metro	2.3%
Loblaw Companies	2.1%
Stantec	2.1%
Intact Financial Corporation	2.1%
CAE	1.7%
Great-West Lifeco	1.6%

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve long-term capital appreciation while continuing to emphasize the preservation of capital by investing primarily in large cap Canadian equity securities.

Strategy of the Fund

To invest primarily in Canadian equity securities in areas of the Canadian economy where superior rates of growth are expected.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	133,571,192	—	133,571,192
TOTAL	—	133,571,192	—	133,571,192
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	146,988,793	—	146,988,793
TOTAL	—	146,988,793	—	146,988,793

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX	3.00	3,557,613	3,924,543

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH®

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	82,934	3,253
Investments at fair value through profit or loss (FVTPL)	35,557,806	36,714,477
Premiums receivable	120,777	9,260
Receivable for securities sold	35,827	—
	<u>35,797,344</u>	<u>36,726,990</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	91,612	95,561
Withdrawals payable	181,656	7,817
Payable for securities purchased	82,659	8,900
	<u>355,927</u>	<u>112,278</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>35,441,417</u>	<u>36,614,712</u>
NET ASSETS PER UNIT		
Series 3	<u>11.14</u>	10.93
Series 5	<u>11.54</u>	11.30
Series 6	<u>6.17</u>	6.03
Series 7	<u>6.31</u>	6.16
Series 8	<u>5.27</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(25)	(107)
Changes in fair value:		
Net realized gain (loss) on investments	584,783	322,448
Net unrealized gain (loss) on investments	687,331	297,049
	<u>1,272,089</u>	<u>619,390</u>
EXPENSES		
Management fees and guarantee charge	465,368	467,255
Operating expenses	84,051	88,252
	<u>549,419</u>	<u>555,507</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>722,670</u>	<u>63,883</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	16,420	2,432
- per unit	0.14	0.02
Average Number of Units	113,988	121,428
SERIES 5		
Increase (Decrease) in Net Assets from Operations	390,407	39,595
- per unit	0.22	0.02
Average Number of Units	1,754,589	1,958,604
SERIES 6		
Increase (Decrease) in Net Assets from Operations	136,428	17,658
- per unit	0.07	0.01
Average Number of Units	2,011,609	2,011,872
SERIES 7		
Increase (Decrease) in Net Assets from Operations	27,104	4,198
- per unit	0.14	0.03
Average Number of Units	199,957	144,069
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	152,311	—
- per unit	0.24	—
Average Number of Units	624,601	—

* Beginning of operations in April 2018.

© Fidelity True North is a registered trademark of FMR Corp.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	36,614,712	34,004,622
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>722,670</u>	63,883
Premiums		
Series 3	64,293	125,262
Series 5	1,940,415	3,262,082
Series 6	1,238,981	3,286,918
Series 7	349,604	97,940
Series 8*	3,882,943	—
	<u>7,476,236</u>	6,772,202
Withdrawals		
Series 3	(305,904)	(299,473)
Series 5	(3,351,941)	(3,957,328)
Series 6	(5,206,657)	(873,274)
Series 7	(350,370)	(100,244)
Series 8*	(157,329)	—
	<u>(9,372,201)</u>	(5,230,319)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	35,441,417	35,610,388

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	722,670	63,883
Adjustments for:		
Net realized gain (loss)	(584,783)	(322,448)
Net unrealized gain (loss)	(687,331)	(297,049)
Proceeds from sale/maturity of investments	3,145,733	1,770,916
Investments purchased	(716,948)	(2,767,812)
Receivable for securities sold	(35,827)	(31,477)
Accrued expenses	(3,949)	5,204
Payable for securities purchased	73,759	(11,219)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,913,324	(1,590,002)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,364,719	6,765,561
Amounts paid on withdrawals	(9,198,362)	(5,178,155)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,833,643)	1,587,406
Increase (decrease) in cash/ bank overdraft	79,681	(2,596)
Cash (bank overdraft), beginning of period	3,253	1,013
CASH (BANK OVERDRAFT), END OF PERIOD	82,934	(1,583)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	25	107

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Fidelity True North® Fund, Series O	681,211	27,731,569	35,557,806
Total Investments		27,731,569	35,557,806
Other Net Assets (-0.3%)			(116,389)
Net Assets (100%)			35,441,417

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	8.1%
Suncor Energy	4.5%
Canadian National Railway Company	4.2%
CGI Group	3.5%
Alimentation Couche-Tard	3.5%
Rogers Communications	3.4%
Royal Bank of Canada	3.3%
Metro	3.1%
Loblaw Companies	2.8%
Constellation Software	2.6%
Canadian Natural Resources	2.4%
SNC-Lavalin Group	2.3%
Enbridge	2.1%
Power Corporation of Canada	2.1%
Franco-Nevada Corporation	1.9%
Restaurant Brands International	1.9%
Intact Financial Corporation	1.4%
Fairfax Financial Holdings	1.4%
Thomson Reuters Corporation	1.3%
Quebecor	1.2%
PrairieSky Royalty	1.2%
TMX Group	1.1%
CAE	1.1%
Microsoft Corporation	1.1%
Waste Connections	1.1%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve strong long-term capital growth by investing primarily in equity securities of Canadian companies that have a history of strong capital growth over the long-term. The fundamental investment of this Fund is to achieve long-term capital appreciation while still emphasizing the preservation of capital by investing primarily in Canadian equity securities.

Strategy of the Fund

To invest primarily in small, medium and large Canadian companies. The Fund may also invest in a limited portion of foreign securities. The Fund may also use, to a lesser degree, derivatives such as options, futures, forward contracts and swaps to protect against losses caused by changes in stock prices or exchange rates.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	35,557,806	—	—	35,557,806
TOTAL	35,557,806	—	—	35,557,806

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	36,714,477	—	—	36,714,477
TOTAL	36,714,477	—	—	36,714,477

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX Capped	3.00	729,919	715,001

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	94,408	53,335
Investments at fair value through profit or loss (FVTPL)	55,549,175	63,400,011
Premiums receivable	24,625	4,719
Receivable for securities sold	52,783	87,802
	<u>55,720,991</u>	<u>63,545,867</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	156,737	179,428
Withdrawals payable	92,603	58,618
	<u>249,340</u>	<u>238,046</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>55,471,651</u>	<u>63,307,821</u>
NET ASSETS PER UNIT		
Series 1	<u>5.09</u>	5.18
Series 3	<u>12.84</u>	13.04
Series 5	<u>13.68</u>	13.86
Series 6	<u>5.88</u>	5.96
Series 7	<u>6.01</u>	6.06
Series 8	<u>5.25</u>	—
Series IGP	<u>10.45</u>	10.55

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	512	9,270
Changes in fair value:		
Net realized gain (loss) on investments	1,355,925	858,790
Net unrealized gain (loss) on investments	(1,521,220)	239,503
	<u>(164,783)</u>	<u>1,107,563</u>
EXPENSES		
Management fees and guarantee charge	835,573	985,628
Operating expenses	131,098	154,839
	<u>966,671</u>	<u>1,140,467</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(1,131,454)</u>	<u>(32,904)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u>(292,489)</u>	(46,653)
- per unit	<u>(0.12)</u>	(0.02)
Average Number of Units	<u>2,541,977</u>	3,013,515
SERIES 3		
Increase (Decrease) in Net Assets from Operations	<u>(433,758)</u>	(31,834)
- per unit	<u>(0.24)</u>	(0.02)
Average Number of Units	<u>1,777,042</u>	2,059,954
SERIES 5		
Increase (Decrease) in Net Assets from Operations	<u>(287,925)</u>	21,454
- per unit	<u>(0.26)</u>	0.02
Average Number of Units	<u>1,105,946</u>	1,301,943
SERIES 6		
Increase (Decrease) in Net Assets from Operations	<u>(134,189)</u>	8,910
- per unit	<u>(0.18)</u>	0.01
Average Number of Units	<u>732,769</u>	815,961
SERIES 7		
Increase (Decrease) in Net Assets from Operations	<u>(1,956)</u>	3,395
- per unit	<u>(0.05)</u>	0.05
Average Number of Units	<u>38,007</u>	64,911
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	<u>54,725</u>	—
- per unit	<u>0.24</u>	—
Average Number of Units	<u>230,864</u>	—
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	<u>(35,862)</u>	11,824
- per unit	<u>(0.14)</u>	0.04
Average Number of Units	<u>251,803</u>	269,057

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	63,307,821	67,519,665
Increase (Decrease) in Net Assets from operations attributable to contract owners	(1,131,454)	(32,904)
Premiums		
Series 1	291,190	62,391
Series 3	255,873	754,747
Series 5	416,800	2,681,895
Series 6	234,626	987,903
Series 7	—	270,174
Series 8*	1,362,798	—
Series IGP	11,932	7,910
	2,573,219	4,765,020
Withdrawals		
Series 1	(1,664,844)	(1,269,370)
Series 3	(2,140,449)	(2,389,545)
Series 5	(3,110,169)	(2,696,563)
Series 6	(2,043,653)	(794,463)
Series 7	(29,889)	(175,367)
Series 8*	(43,751)	—
Series IGP	(245,180)	(93,814)
	(9,277,935)	(7,419,122)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	55,471,651	64,832,659

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(1,131,454)	(32,904)
Adjustments for:		
Net realized gain (loss)	(1,355,925)	(858,790)
Net unrealized gain (loss)	1,521,220	(239,503)
Proceeds from sale/maturity of investments	7,725,214	4,701,382
Investments purchased	(39,673)	(1,030,387)
Receivable for securities sold	35,019	(77,497)
Accrued expenses	(22,691)	(7,424)
Payable for securities purchased	—	(51,619)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	6,731,710	2,403,258
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,553,313	4,951,946
Amounts paid on withdrawals	(9,243,950)	(7,362,932)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(6,690,637)	(2,410,986)
Increase (decrease) in cash/bank overdraft	41,073	(7,728)
Cash (bank overdraft), beginning of period	53,335	90,974
CASH (BANK OVERDRAFT), END OF PERIOD	94,408	83,246
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	193	—
Interest paid	18	139

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
Franklin Bissett Canadian Equity Fund, Series O	356,016	44,115,017	55,549,175
Total Investments		44,115,017	55,549,175
Other Net Assets (-0.1%)			(77,524)
Net Assets (100%)			55,471,651

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Brookfield Asset Management	6.6%
Canadian National Railway Company	5.7%
Restaurant Brands International	5.2%
Toronto-Dominion Bank	5.1%
Royal Bank of Canada	5.1%
Canadian Imperial Bank of Commerce	4.1%
Canadian Pacific Railway	4.0%
Bank of Montreal	3.8%
Scotiabank	3.4%
Onex Corporation	3.2%
Enbridge	3.0%
Metro	2.7%
Franco-Nevada Corporation	2.6%
Alimentation Couche-Tard	2.6%
Dollarama	2.4%
Toromont Industries	2.4%
Enghouse Systems	2.2%
Saputo	2.2%
Power Corporation of Canada	1.9%
Atco	1.8%
Inter Pipeline	1.8%
Keyera Corporation	1.8%
Stantec	1.7%
TELUS Corporation	1.7%
Thomson Reuters Corporation	1.6%

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The fundamental investment objective of this Fund is to achieve long-term capital appreciation while continuing to emphasize the preservation of capital by investing primarily in Canadian equity securities.

Strategy of the Fund

To invest primarily in mid to large cap Canadian equity securities of growth-oriented companies. The Fund may also have a foreign equity component.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	55,549,175	—	—	55,549,175
TOTAL	55,549,175	—	—	55,549,175
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	63,400,011	—	—	63,400,011
TOTAL	63,400,011	—	—	63,400,011

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX	3.00	1,535,176	1,821,469

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	14,672,803	16,038,305
Premiums receivable	550	3,131
Receivable for securities sold	113,328	26,802
	<u>14,786,681</u>	<u>16,068,238</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	47,826	471
Accrued expenses	41,978	44,310
Withdrawals payable	81,345	3,885
	<u>171,149</u>	<u>48,666</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,615,532</u>	<u>16,019,572</u>
NET ASSETS PER UNIT		
Series 3	<u>6.69</u>	6.70
Series 5	<u>7.15</u>	7.13
Series 6	<u>5.10</u>	5.09
Series 7	<u>5.20</u>	5.17
Series 8	<u>5.07</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	86	(19)
Distributions from underlying funds	13,074	—
Changes in fair value:		
Net realized gain (loss) on investments	347,935	201,197
Net unrealized gain (loss) on investments	(94,186)	296,425
	<u>266,909</u>	<u>497,603</u>
EXPENSES		
Management fees and guarantee charge	223,059	243,401
Operating expenses	29,685	32,448
	<u>252,744</u>	<u>275,849</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,165</u>	<u>221,754</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(13,673)	33,219
- per unit	(0.04)	0.07
Average Number of Units	<u>363,897</u>	463,556
SERIES 5		
Increase (Decrease) in Net Assets from Operations	16,874	165,549
- per unit	0.01	0.10
Average Number of Units	<u>1,535,956</u>	1,705,548
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,140	22,704
- per unit	0.01	0.07
Average Number of Units	<u>330,018</u>	330,978
SERIES 7		
Increase (Decrease) in Net Assets from Operations	146	282
- per unit	0.03	0.06
Average Number of Units	<u>5,522</u>	4,811
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	7,678	—
- per unit	0.06	—
Average Number of Units	<u>123,027</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	16,019,572	16,680,065
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>14,165</u>	221,754
Premiums		
Series 3	16,578	22,125
Series 5	1,340,766	1,582,858
Series 6	241,747	368,517
Series 7	—	7,369
Series 8*	734,893	—
	<u>2,333,984</u>	1,980,869
Withdrawals		
Series 3	(405,048)	(342,484)
Series 5	(2,302,091)	(2,434,140)
Series 6	(905,231)	(63,180)
Series 8*	(139,819)	—
	<u>(3,752,189)</u>	(2,839,804)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	14,615,532	16,042,884

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,165	221,754
Adjustments for:		
Net realized gain (loss)	(347,935)	(201,197)
Net unrealized gain (loss)	94,186	(296,425)
Non-cash distribution from investments	(13,074)	—
Proceeds from sale/maturity of investments	1,809,001	1,384,473
Investments purchased	(176,676)	(248,982)
Receivable for securities sold	(86,526)	(22,849)
Accrued expenses	(2,332)	(1,119)
Payable for securities purchased	—	(1,691)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,290,809	833,964
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,336,565	1,985,492
Amounts paid on withdrawals	(3,674,729)	(2,831,286)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,338,164)	(845,794)
Increase (decrease) in cash/ bank overdraft	(47,355)	(11,830)
Cash (bank overdraft), beginning of period	(471)	26,836
CASH (BANK OVERDRAFT), END OF PERIOD	(47,826)	15,006
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	90	—
Interest paid	4	19

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.4%)		\$	\$
NEI Canadian Small Cap Equity Fund, Series I	689,466	11,575,953	14,672,803
Total Investments		11,575,953	14,672,803
Other Net Assets (-0.4%)			(57,271)
Net Assets (100%)			14,615,532

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Lassonde Industries	5.7%
Parex Resources	5.4%
Dollarama	5.1%
Boyd Group Income Fund	5.0%
NFI Group	4.9%
Premium Brands Holdings Corporation	4.8%
Kinaxis	4.3%
FirstService Corporation	4.1%
Industrial Alliance, Insurance and Financial Services	4.1%
Descartes Systems Group	3.7%
Parkland Fuel Corporation	3.4%
Winpak	3.1%
Pinnacle Renewable Holdings	3.1%
Altus Group	3.0%
People Corporation	2.9%
Fortuna Silver Mines	2.9%
Andrew Peller	2.8%
Roxgold	2.6%
Toromont Industries	2.6%
Solium Capital	2.2%
Equitable Group	2.1%
WSP Global	2.0%
Shopify	1.9%
Richelieu Hardware	1.9%
TORC Oil & Gas	1.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve capital appreciation over the longer term by investing primarily in the equity of smaller, fast growing Canadian companies with small market capitalizations under a billion dollars.

Strategy of the Fund

To invest primarily in common shares and other equity securities issued by companies that are financially strong and have distinct competitive advantages at relative valuations.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	14,672,803	—	—	14,672,803
TOTAL	14,672,803	—	—	14,672,803
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	16,038,305	—	—	16,038,305
TOTAL	16,038,305	—	—	16,038,305

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX Small Cap (50%)	3.00	151,507	174,714
S&P/TSX Completion (50%)	3.00	151,507	174,714

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – SMALL CAP – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018 \$	December 31 2017 \$
ASSETS		
Current Assets		
Cash	—	15,181
Investments at fair value through profit or loss (FVTPL)	15,313,128	17,694,327
Premiums receivable	—	3,705
Receivable for securities sold	86,122	—
	<u>15,399,250</u>	<u>17,713,213</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	3,952	—
Accrued expenses	42,885	48,630
Withdrawals payable	89,547	16,030
Payable for securities purchased	—	14,878
	<u>136,384</u>	<u>79,538</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>15,262,866</u>	<u>17,633,675</u>
NET ASSETS PER UNIT		
Series 3	<u>15.76</u>	16.78
Series 5	<u>16.84</u>	17.87
Series 6	<u>4.46</u>	4.74
Series 7	<u>4.52</u>	4.78
Series 8	<u>5.00</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018 \$	2017 \$
INCOME		
Interest for attribution purposes	(11)	408
Changes in fair value:		
Net realized gain (loss) on investments	97,677	181,479
Net unrealized gain (loss) on investments	(837,519)	(1,306,233)
	<u>(739,853)</u>	<u>(1,124,346)</u>
EXPENSES		
Management fees and guarantee charge	231,210	269,788
Operating expenses	34,236	40,673
	<u>265,446</u>	<u>310,461</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(1,005,299)</u>	<u>(1,434,807)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(365,032)	(522,373)
- per unit	(1.04)	(1.31)
Average Number of Units	<u>350,771</u>	398,037
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(462,402)	(678,538)
- per unit	(1.09)	(1.34)
Average Number of Units	<u>425,703</u>	507,494
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(160,493)	(209,763)
- per unit	(0.28)	(0.35)
Average Number of Units	<u>576,954</u>	607,745
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(12,642)	(24,133)
- per unit	(0.22)	(0.41)
Average Number of Units	<u>57,732</u>	59,140
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	(4,730)	—
- per unit	(0.05)	—
Average Number of Units	<u>97,187</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>17,633,675</u>	19,239,128
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(1,005,299)</u>	(1,434,807)
Premiums		
Series 3	84,554	136,213
Series 5	401,181	969,072
Series 6	404,924	766,759
Series 7	33,297	278,544
Series 8*	568,962	—
	<u>1,492,918</u>	2,150,588
Withdrawals		
Series 3	(446,982)	(789,574)
Series 5	(1,401,295)	(1,063,922)
Series 6	(994,463)	(494,790)
Series 7	(124)	(54)
Series 8*	(15,564)	—
	<u>(2,858,428)</u>	(2,348,340)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>15,262,866</u>	17,606,569

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(1,005,299)	(1,434,807)
Adjustments for:		
Net realized gain (loss)	(97,677)	(181,479)
Net unrealized gain (loss)	837,519	1,306,233
Proceeds from sale/maturity of investments	1,965,965	1,553,421
Investments purchased	(324,608)	(1,050,952)
Receivable for securities sold	(86,122)	(99)
Accrued expenses	(5,745)	(3,869)
Payable for securities purchased	(14,878)	(89,244)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>1,269,155</u>	99,204
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,496,623	2,263,995
Amounts paid on withdrawals	(2,784,911)	(2,366,529)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(1,288,288)</u>	(102,534)
Increase (decrease) in cash/ bank overdraft	(19,133)	(3,330)
Cash (bank overdraft), beginning of period	15,181	7,157
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(3,952)</u>	3,827
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	11	67

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Franklin Bissett Small Cap Fund, Series O	197,487	14,649,068	15,313,128
Total Investments		14,649,068	15,313,128
Other Net Assets (-0.3%)			(50,262)
Net Assets (100%)			15,262,866

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Indigo Books & Music	7.7%
Equitable Group	5.5%
Leon's Furniture	5.4%
Trican Well Service	4.7%
Transcontinental	4.5%
Horizon North Logistics	4.5%
Total Energy Services	4.0%
The Westaim Corporation	3.9%
AGF Management	3.7%
Transat A.T.	3.5%
Major Drilling Group International	3.2%
Xtreme Drilling and Coil Services Corporation	3.2%
Richelieu Hardware	3.0%
Reitmans (Canada)	2.8%
Blackpearl Resources	2.3%
Trinidad Drilling	2.3%
Winpak	2.1%
Blackline Safety Corporation	1.9%
Pieridae Energy	1.9%
Advantage Oil & Gas	1.7%
Nuvista Energy	1.7%
Bird Construction	1.7%
Storm Resources	1.6%
Glacier Media	1.6%
Corby Spirit and Wine	1.5%

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with long-term capital appreciation. The Fund invests mainly in shares of Canadian companies with small to medium market capitalizations which are expected to provide above-average returns.

Strategy of the Fund

To be fully diversified at all times to compensate for the volatility inherent in investing in small capitalization equities.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	15,313,128	—	—	15,313,128
TOTAL	15,313,128	—	—	15,313,128
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	17,694,327	—	—	17,694,327
TOTAL	17,694,327	—	—	17,694,327

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P/TSX Small Cap	3.00	290,310	361,101

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – AMERICAN EQUITY – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	28,972	5,450
Investments at fair value through profit or loss (FVTPL)	33,365,468	27,656,641
Premiums receivable	159,092	40,077
Receivable for securities sold	—	106
Interest, dividends and other receivables	10	—
	<u>33,553,542</u>	<u>27,702,274</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	82,730	69,765
Withdrawals payable	33,797	30,072
Payable for securities purchased	29,126	—
	<u>145,653</u>	<u>99,837</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>33,407,889</u>	<u>27,602,437</u>
NET ASSETS PER UNIT		
Series 3	<u>8.12</u>	<u>7.77</u>
Series 5	<u>8.77</u>	<u>8.38</u>
Series 6	<u>8.04</u>	<u>7.68</u>
Series 7	<u>8.19</u>	<u>7.80</u>
Series 8	<u>5.20</u>	<u>—</u>

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	60	(347)
Distributions from underlying funds	265,297	253,623
Changes in fair value:		
Net realized gain (loss) on investments	121,552	182,522
Net unrealized gain (loss) on investments	1,453,461	1,465,821
	<u>1,840,370</u>	<u>1,901,619</u>
EXPENSES		
Management fees and guarantee charge	395,959	305,689
Operating expenses	70,196	60,753
	<u>466,155</u>	<u>366,442</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,374,215</u>	<u>1,535,177</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	178,276	259,657
- per unit	0.35	0.47
Average Number of Units	511,899	557,488
SERIES 5		
Increase (Decrease) in Net Assets from Operations	556,196	804,001
- per unit	0.38	0.52
Average Number of Units	1,482,508	1,558,636
SERIES 6		
Increase (Decrease) in Net Assets from Operations	469,141	461,907
- per unit	0.32	0.44
Average Number of Units	1,460,396	1,042,363
SERIES 7		
Increase (Decrease) in Net Assets from Operations	64,494	9,612
- per unit	0.33	0.35
Average Number of Units	195,370	27,258
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	106,108	—
- per unit	0.16	—
Average Number of Units	677,957	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	27,602,437	21,702,842
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,374,215</u>	1,535,177
Premiums		
Series 3	473,603	88,417
Series 5	2,498,804	2,106,270
Series 6	4,189,897	2,015,683
Series 7	1,518,713	90,432
Series 8*	4,118,454	—
	<u>12,799,471</u>	4,300,802
Withdrawals		
Series 3	(476,760)	(397,445)
Series 5	(2,493,152)	(1,596,964)
Series 6	(5,089,128)	(661,196)
Series 7	(219,808)	(10,206)
Series 8*	(89,386)	—
	<u>(8,368,234)</u>	(2,665,811)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	33,407,889	24,873,010

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,374,215	1,535,177
Adjustments for:		
Net realized gain (loss)	(121,552)	(182,522)
Net unrealized gain (loss)	(1,453,461)	(1,465,821)
Non-cash distribution from investments	(265,297)	(253,623)
Proceeds from sale/maturity of investments	1,265,285	3,272,866
Investments purchased	(5,133,802)	(4,603,833)
Receivable for securities sold	106	48,990
Interest, dividends and other receivables	(10)	—
Accrued expenses	12,965	9,714
Payable for securities purchased	29,126	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(4,292,425)	(1,639,052)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	12,680,456	4,343,883
Amounts paid on withdrawals	(8,364,509)	(2,655,047)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	4,315,947	1,688,836
Increase (decrease) in cash/ bank overdraft	23,522	49,784
Cash (bank overdraft), beginning of period	5,450	(52,666)
CASH (BANK OVERDRAFT), END OF PERIOD	28,972	(2,882)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	67	—
Interest paid	19	63

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – AMERICAN EQUITY – MFS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.9%)		\$	\$
MFS U.S. Equity Core Fund	1,996,701	29,806,209	33,365,468
Total Investments		29,806,209	33,365,468
Other Net Assets (0.1%)			42,421
Net Assets (100%)			33,407,889

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
JPMorgan Chase & Company	3.6%
Alphabet	3.3%
Bank of America Corporation	3.1%
Visa	3.1%
Johnson & Johnson	2.7%
American Tower Corporation REIT	2.7%
Thermo Fisher Scientific	2.3%
Danaher Corporation	2.3%
Medtronic	2.2%
EOG Resources	2.2%
Mastercard	2.1%
Fidelity National Information Services	2.0%
Cognizant Technology Solutions Corporation	2.0%
Canadian National Railway Company	1.9%
Comcast Corporation	1.9%
Schlumberger	1.9%
Accenture	1.8%
Honeywell International	1.8%
Mondelez International	1.7%
Texas Instruments	1.7%
Facebook	1.7%
Goldman Sachs Group	1.6%
Enterprise Products Partners	1.6%
Sherwin Williams Company	1.4%
Nasdaq	1.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To outperform the S&P 500.

Strategy of the Fund

To invest mainly in large cap equity securities of corporations located in the United States.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	33,365,468	—	33,365,468
TOTAL	—	33,365,468	—	33,365,468
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	27,656,641	—	27,656,641
TOTAL	—	27,656,641	—	27,656,641

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – AMERICAN EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
	%	\$	\$
S&P 500	3.00	975,819	818,577

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	104,842	47,317
Investments at fair value through profit or loss (FVTPL)	25,929,447	26,385,655
Premiums receivable	89,815	2,681
Receivable for securities sold	58,894	16,827
	<u>26,182,998</u>	<u>26,452,480</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	66,905	68,446
Withdrawals payable	127,049	4,220
Payable for securities purchased	40,330	1,346
	<u>234,284</u>	<u>74,012</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>25,948,714</u>	<u>26,378,468</u>
NET ASSETS PER UNIT		
Series 1	<u>9.04</u>	8.87
Series 3	<u>10.00</u>	9.78
Series 5	<u>10.16</u>	9.93
Series 6	<u>7.69</u>	7.51
Series 7	<u>7.86</u>	7.65
Series 8	<u>5.13</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	113	41
Changes in fair value:		
Net realized gain (loss) on investments	567,709	349,843
Net unrealized gain (loss) on investments	429,405	77,272
	<u>997,227</u>	<u>427,156</u>
EXPENSES		
Management fees and guarantee charge	342,211	343,522
Operating expenses	60,002	60,921
	<u>402,213</u>	<u>404,443</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>595,014</u>	<u>22,713</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	58,744	(5,657)
- per unit	0.17	(0.02)
Average Number of Units	347,663	334,615
SERIES 3		
Increase (Decrease) in Net Assets from Operations	63,940	11,590
- per unit	0.21	0.03
Average Number of Units	297,758	346,218
SERIES 5		
Increase (Decrease) in Net Assets from Operations	268,469	10,652
- per unit	0.23	0.01
Average Number of Units	1,150,189	1,259,302
SERIES 6		
Increase (Decrease) in Net Assets from Operations	136,887	2,393
- per unit	0.15	—
Average Number of Units	941,324	966,122
SERIES 7		
Increase (Decrease) in Net Assets from Operations	15,317	3,735
- per unit	0.20	0.04
Average Number of Units	77,653	83,839
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	51,657	—
- per unit	0.13	—
Average Number of Units	403,027	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>26,378,468</u>	24,790,506
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>595,014</u>	22,713
Premiums		
Series 1	71,658	18,965
Series 3	126,711	194,455
Series 5	821,846	1,646,413
Series 6	907,446	1,673,727
Series 7	149,349	377,934
Series 8*	<u>2,457,015</u>	—
	<u>4,534,025</u>	3,911,494
Withdrawals		
Series 1	(117,265)	(74,353)
Series 3	(350,045)	(492,696)
Series 5	(1,922,278)	(1,628,605)
Series 6	(3,033,370)	(531,509)
Series 7	(51,495)	(621)
Series 8*	<u>(84,340)</u>	—
	<u>(5,558,793)</u>	(2,727,784)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>25,948,714</u>	25,996,929

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	595,014	22,713
Adjustments for:		
Net realized gain (loss)	(567,709)	(349,843)
Net unrealized gain (loss)	(429,405)	(77,272)
Proceeds from sale/maturity of investments	2,063,493	1,289,853
Investments purchased	(610,430)	(2,128,949)
Receivable for securities sold	(42,067)	(41,334)
Accrued expenses	(1,541)	5,097
Payable for securities purchased	<u>38,984</u>	(116,272)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>1,046,339</u>	(1,396,007)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	4,446,891	4,077,255
Amounts paid on withdrawals	<u>(5,435,964)</u>	(2,686,707)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(989,073)</u>	1,390,548
Effect of exchange rate changes on foreign cash	259	(204)
Increase (decrease) in cash/ bank overdraft	57,525	(5,663)
Cash (bank overdraft), beginning of period	<u>47,317</u>	65,211
CASH (BANK OVERDRAFT), END OF PERIOD	<u>104,842</u>	59,548
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	113	—
Interest paid	<u>—</u>	10

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.9%)		\$	\$
Desjardins American Equity Value Fund, I-Class	891,138	18,496,411	25,929,447
Total Investments		18,496,411	25,929,447
Other Net Assets (0.1%)			19,267
Net Assets (100%)			25,948,714

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Bank of America Corporation	4.2%
JPMorgan Chase & Company	4.1%
Citigroup	3.2%
Chevron Corporation	3.1%
Intel Corporation	2.7%
Merck & Company	2.2%
Verizon Communications	2.1%
Medtronic	2.0%
Hess Corporation	1.9%
Bristol-Myers Squibb Company	1.9%
Exxon Mobil Corporation	1.8%
Lowe's Companies	1.8%
PNC Financial Services Group	1.6%
Cisco Systems	1.6%
International Business Machines Corporation (IBM)	1.6%
AstraZeneca	1.5%
Microsoft Corporation	1.5%
Wells Fargo & Company	1.5%
Anadarko Petroleum Corporation	1.5%
American International Group	1.4%
Total	1.4%
EOG Resources	1.4%
Target Corporation	1.4%
Lockheed Martin Corporation	1.3%
Comcast Corporation	1.3%

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with long-term capital growth by investing primarily in U.S. equities.

Strategy of the Fund

To invest primarily in the common shares of high quality, publicly traded mid to large United States companies across a wide range of market sectors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	25,929,447	—	—	25,929,447
TOTAL	25,929,447	—	—	25,929,447

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	26,385,655	—	—	26,385,655
TOTAL	26,385,655	—	—	26,385,655

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
S&P 500	3.00	754,391	779,009

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL DIVIDEND – DESJARDINS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	3,810
Investments at fair value through profit or loss (FVTPL)	27,165,417	26,440,264
Premiums receivable	70,407	276,764
Receivable for securities sold	819	—
	<u>27,236,643</u>	<u>26,720,838</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	435	—
Accrued expenses	62,501	61,331
Withdrawals payable	32,710	13,437
Payable for securities purchased	70,151	249,738
	<u>165,797</u>	<u>324,506</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>27,070,846</u>	<u>26,396,332</u>
NET ASSETS PER UNIT		
Series 5	<u>8.78</u>	8.90
Series 6	<u>6.44</u>	6.53
Series 7	<u>6.58</u>	6.65
Series 8	<u>5.06</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	(10)	(57)
Changes in fair value:		
Net realized gain (loss) on investments	106,975	115,539
Net unrealized gain (loss) on investments	(88,403)	1,037,354
	<u>18,562</u>	<u>1,152,836</u>
EXPENSES		
Management fees and guarantee charge	344,986	284,268
Operating expenses	29,737	24,116
	<u>374,723</u>	<u>308,384</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(356,161)</u>	<u>844,452</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(125,384)	373,105
- per unit	(0.12)	0.36
Average Number of Units	<u>1,029,464</u>	1,048,647
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(266,520)	428,815
- per unit	(0.13)	0.23
Average Number of Units	<u>2,089,689</u>	1,837,484
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(36,606)	42,532
- per unit	(0.10)	0.26
Average Number of Units	<u>381,519</u>	162,864
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	72,349	—
- per unit	0.07	—
Average Number of Units	<u>1,008,449</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	26,396,332	20,585,204
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>(356,161)</u>	844,452
Premiums		
Series 5	739,964	894,355
Series 6	2,521,704	2,609,600
Series 7	166,449	204,306
Series 8*	6,116,376	—
	<u>9,554,493</u>	3,708,261
Withdrawals		
Series 5	(849,831)	(1,440,959)
Series 6	(7,093,245)	(687,314)
Series 7	(268,537)	(11,301)
Series 8*	(302,205)	—
	<u>(8,513,818)</u>	(2,139,574)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	27,070,846	22,998,343

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(356,161)	844,452
Adjustments for:		
Net realized gain (loss)	(106,975)	(115,539)
Net unrealized gain (loss)	88,403	(1,037,354)
Proceeds from sale/maturity of investments	1,356,026	1,212,609
Investments purchased	(2,062,607)	(2,484,461)
Receivable for securities sold	(819)	(46,929)
Accrued expenses	1,170	8,299
Payable for securities purchased	(179,587)	(56,313)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(1,260,550)	(1,675,236)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,750,850	3,781,398
Amounts paid on withdrawals	(8,494,545)	(2,093,426)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	1,256,305	1,687,972
Increase (decrease) in cash/ bank overdraft	(4,245)	12,736
Cash (bank overdraft), beginning of period	3,810	15,196
CASH (BANK OVERDRAFT), END OF PERIOD	(435)	27,932
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	10	57

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
Desjardins Global Dividend Fund, I-Class	1,318,966	24,647,256	27,165,417
Total Investments		24,647,256	27,165,417
Other Net Assets (-0.3%)			(94,571)
Net Assets (100%)			27,070,846

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Verizon Communications	1.8%
Total	1.8%
Royal Dutch Shell	1.7%
GlaxoSmithKline	1.7%
Imperial Brands	1.7%
AstraZeneca	1.7%
BCE	1.6%
Muenchener Rueckversicherung	1.6%
Duke Energy Corporation	1.6%
Altria Group	1.5%
Terna – Rete Elettricit� Nazionale	1.5%
AT&T	1.5%
Vodafone Group	1.5%
Occidental Petroleum Corporation	1.4%
Allianz	1.4%
AXA	1.4%
Welltower	1.4%
Pfizer	1.4%
National Grid	1.4%
Cisco Systems	1.3%
BAE Systems	1.3%
Deutsche Telekom	1.3%
Unibail-RodamcoWestfield	1.3%
Enterprise Products Partners	1.2%
Exxon Mobil Corporation	1.2%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to provide dividend income and long term capital appreciation through the investment in equity and equity related securities of companies around the world, including, when deemed appropriate, emerging markets.

Strategy of the Fund

In order to achieve its investment objective, the Fund invests in companies with high dividend yields and whose management teams optimize their balance sheets through the redemption of shares or reducing debt or by opting to increase cash flows sufficiently to allow for the opportunity for dividend growth. Companies are selected which show stable or high profit growth, a lower than average debt in comparison to their industry average and whose securities are traded at a reasonable price in relation to other companies with similar characteristics. Equity related securities such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) may be used to gain exposure to a particular stock or sector.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	27,165,417	—	—	27,165,417
TOTAL	27,165,417	—	—	27,165,417
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	26,440,264	—	—	26,440,264
TOTAL	26,440,264	—	—	26,440,264

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
	%	\$	\$
MSCI World Net	3.00	630,960	689,282

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL EQUITY – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	326	9,115
Investments at fair value through profit or loss (FVTPL)	64,064,212	60,982,462
Premiums receivable	20,537	1,215
Receivable for securities sold	24,922	16,117
	<u>64,109,997</u>	<u>61,008,909</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	155,322	148,468
Withdrawals payable	60,288	4,797
	<u>215,610</u>	<u>153,265</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>63,894,387</u>	<u>60,855,644</u>
NET ASSETS PER UNIT		
Series 3	<u>5.29</u>	5.05
Series 5	<u>5.53</u>	5.27
Series 6	<u>7.31</u>	6.97
Series 7	<u>7.45</u>	7.09
Series 8	<u>5.18</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	223	(731)
Distributions from underlying funds	753,718	689,500
Changes in fair value:		
Net realized gain (loss) on investments	289,351	190,040
Net unrealized gain (loss) on investments	2,873,660	4,932,275
	<u>3,916,952</u>	<u>5,811,084</u>
EXPENSES		
Management fees and guarantee charge	706,973	650,157
Operating expenses	204,655	195,053
	<u>911,628</u>	<u>845,210</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,005,324</u>	<u>4,965,874</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	154,989	243,698
- per unit	0.23	0.39
Average Number of Units	<u>663,187</u>	<u>624,532</u>
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,600,775	4,517,175
- per unit	0.26	0.42
Average Number of Units	<u>10,002,134</u>	<u>10,820,512</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	162,845	185,729
- per unit	0.31	0.51
Average Number of Units	<u>517,131</u>	<u>363,586</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	50,661	19,272
- per unit	0.32	0.54
Average Number of Units	<u>156,230</u>	<u>35,530</u>
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	36,054	—
- per unit	0.12	—
Average Number of Units	<u>304,278</u>	<u>—</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL EQUITY – MFS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>60,855,644</u>	55,563,252
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>3,005,324</u>	4,965,874
Premiums		
Series 3	476,947	407,083
Series 5	1,433,494	1,313,982
Series 6	1,550,931	781,524
Series 7	976,442	65,058
Series 8*	<u>1,984,772</u>	—
	<u>6,422,586</u>	2,567,647
Withdrawals		
Series 3	(366,945)	(482,132)
Series 5	(3,834,074)	(2,794,889)
Series 6	(2,112,435)	(312,858)
Series 7	(52,013)	(228)
Series 8*	<u>(23,700)</u>	—
	<u>(6,389,167)</u>	(3,590,107)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>63,894,387</u>	59,506,666

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,005,324	4,965,874
Adjustments for:		
Net realized gain (loss)	(289,351)	(190,040)
Net unrealized gain (loss)	(2,873,660)	(4,932,275)
Non-cash distribution from investments	(753,718)	(689,500)
Proceeds from sale/maturity of investments	3,430,395	8,763,796
Investments purchased	(2,595,416)	(6,854,954)
Receivable for securities sold	(8,805)	(24,761)
Accrued expenses	<u>6,854</u>	12,791
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(78,377)</u>	1,050,931
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,403,264	2,553,309
Amounts paid on withdrawals	<u>(6,333,676)</u>	(3,629,050)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>69,588</u>	(1,075,741)
Increase (decrease) in cash/ bank overdraft	(8,789)	(24,810)
Cash (bank overdraft), beginning of period	<u>9,115</u>	17,381
CASH (BANK OVERDRAFT), END OF PERIOD	<u>326</u>	(7,429)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	294	—
Interest paid	<u>34</u>	130

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.3%)		\$	\$
MFS Global Research Fund	3,353,550	57,948,434	64,064,212
Total Investments		57,948,434	64,064,212
Other Net Assets (-0.3%)			(169,825)
Net Assets (100%)			63,894,387

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Amazon.com	2.1%
Alphabet	1.9%
Facebook	1.9%
Microsoft Corporation	1.5%
Citigroup	1.4%
Johnson & Johnson	1.4%
Adobe Systems	1.4%
AIA Group	1.3%
salesforce.com	1.3%
Honeywell International	1.3%
Medtronic	1.3%
US Bancorp	1.2%
Suncor Energy	1.2%
Mastercard	1.1%
EOG Resources	1.1%
NIKE	1.1%
BP	1.1%
Cisco Systems	1.1%
Fidelity National Information Services	1.1%
Schneider Electric	1.1%
DowDuPont	1.1%
DXC Technology	1.1%
Aon	1.1%
Credicorp	1.0%
Bayer AG	1.0%

DFS GIF – GLOBAL EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve long-term capital growth by investing primarily in equity securities.

Strategy of the Fund

To control the level of volatility of return relative to the overall stock markets by maintaining strong geographic diversification and by investing in attractively-valued securities. The Fund will primarily invest in common stocks of American, European, and Asian corporations.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	64,064,212	—	64,064,212
TOTAL	—	64,064,212	—	64,064,212

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	60,982,462	—	60,982,462
TOTAL	—	60,982,462	—	60,982,462

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
MSCI All Country World Net	3.00	1,944,162	1,835,926

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INTERNATIONAL EQUITY – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018	December 31 2017
	\$	\$
ASSETS		
Current Assets		
Cash	—	22,631
Investments at fair value through profit or loss (FVTPL)	13,257,711	12,486,711
Premiums receivable	23,223	1,317
Receivable for securities sold	88,630	—
Interest, dividends and other receivables	246	—
	<u>13,369,810</u>	<u>12,510,659</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	85,682	—
Accrued expenses	35,767	39,542
Withdrawals payable	2,907	1,174
Payable for securities purchased	—	19,680
	<u>124,356</u>	<u>60,396</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>13,245,454</u>	<u>12,450,263</u>
NET ASSETS PER UNIT		
Series 1	<u>7.17</u>	7.03
Series 3	<u>7.45</u>	7.30
Series 5	<u>8.21</u>	8.01
Series 6	<u>6.49</u>	6.34
Series 7	<u>6.63</u>	6.46
Series 8	<u>5.06</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
INCOME		
Interest for attribution purposes	6,018	(336)
Changes in fair value:		
Net realized gain (loss) on investments	237,061	195,272
Net unrealized gain (loss) on investments	252,789	1,271,336
	<u>495,868</u>	<u>1,466,272</u>
EXPENSES		
Management fees and guarantee charge	172,346	142,245
Operating expenses	40,064	35,075
	<u>212,410</u>	<u>177,320</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>283,458</u>	<u>1,288,952</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	39,818	197,755
- per unit	0.14	0.76
Average Number of Units	292,867	260,836
SERIES 3		
Increase (Decrease) in Net Assets from Operations	85,070	486,807
- per unit	0.15	0.79
Average Number of Units	574,464	614,302
SERIES 5		
Increase (Decrease) in Net Assets from Operations	105,880	479,029
- per unit	0.19	0.90
Average Number of Units	543,616	534,039
SERIES 6		
Increase (Decrease) in Net Assets from Operations	38,993	101,152
- per unit	0.13	0.66
Average Number of Units	299,030	152,780
SERIES 7		
Increase (Decrease) in Net Assets from Operations	11,818	24,209
- per unit	0.19	0.59
Average Number of Units	63,357	40,881
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,879	—
- per unit	0.03	—
Average Number of Units	67,215	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	12,450,263	10,426,398
Increase (Decrease) in Net Assets from operations attributable to contract owners	283,458	1,288,952
Premiums		
Series 1	492,928	2,807
Series 3	333,989	87,151
Series 5	590,616	298,848
Series 6	912,736	267,262
Series 7	397,784	127,951
Series 8*	415,087	—
	3,143,140	784,019
Withdrawals		
Series 1	(559,431)	(98,933)
Series 3	(341,376)	(578,256)
Series 5	(850,484)	(388,930)
Series 6	(798,831)	(192,367)
Series 7	(65,747)	(270)
Series 8*	(15,538)	—
	(2,631,407)	(1,258,756)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	13,245,454	11,240,613

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	283,458	1,288,952
Adjustments for:		
Net realized gain (loss)	(237,061)	(195,272)
Net unrealized gain (loss)	(252,789)	(1,271,336)
Proceeds from sale/maturity of investments	1,262,590	1,131,363
Investments purchased	(1,543,740)	(414,528)
Receivable for securities sold	(88,630)	(16,072)
Interest, dividends and other receivables	(246)	(11)
Accrued expenses	(3,775)	3,225
Payable for securities purchased	(19,680)	(4,305)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(599,873)	522,016
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,121,234	788,458
Amounts paid on withdrawals	(2,629,674)	(1,331,185)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	491,560	(542,727)
Increase (decrease) in cash/ bank overdraft	(108,313)	(20,711)
Cash (bank overdraft), beginning of period	22,631	7,591
CASH (BANK OVERDRAFT), END OF PERIOD	(85,682)	(13,120)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	5,782	—
Interest paid	8	30

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (100.1%)		\$	\$
MFS International Equity Fund	955,986	10,718,052	13,257,711
Total Investments		10,718,052	13,257,711
Other Net Assets (-0.1%)			(12,257)
Net Assets (100%)			13,245,454

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Nestlé	3.5%
Bayer AG	2.8%
AIA Group	2.8%
Hoya Corporation	2.7%
SAP SE	2.5%
Air Liquide	2.5%
Roche Holding AG	2.5%
Schneider Electric	2.4%
Pernod Ricard	2.2%
Amadeus IT Group	2.2%
ING Groep	2.2%
UBS Group AG	2.1%
Moet Hennessy Louis Vuitton	2.1%
Canadian National Railway Company	2.1%
Terumo Corporation	2.1%
Compass Group	2.0%
Tata Consultancy Services	2.0%
Beiersdorf AG	1.9%
WPP	1.9%
Diageo	1.9%
Reckitt Benckiser Group	1.9%
Experian	1.7%
Suncor Energy	1.7%
Novo Nordisk	1.7%
Novartis AG	1.6%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The fundamental investment objective of this Fund is to provide investors with long-term capital growth based on an internationally diversified equity portfolio by investing primarily in Europe and the Far East.

Strategy of the Fund

To invest its assets primarily in the common shares of large corporations with attractive relative valuations located in many countries.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	13,257,711	—	13,257,711
TOTAL	—	13,257,711	—	13,257,711
December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	—	12,486,711	—	12,486,711
TOTAL	—	12,486,711	—	12,486,711

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
	%	\$	\$
MSCI EAFE Net	3.00	394,035	396,994

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2018 \$	December 31 2017 \$
ASSETS		
Current Assets		
Cash	69,577	1,339
Investments at fair value through profit or loss (FVTPL)	11,684,650	6,040,359
Premiums receivable	149,144	3,522
	<u>11,903,371</u>	<u>6,045,220</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	28,481	14,786
Withdrawals payable	39,043	3,781
Payable for securities purchased	101,760	1,529
	<u>169,284</u>	<u>20,096</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>11,734,087</u>	<u>6,025,124</u>
NET ASSETS PER UNIT		
Series 5	<u>11.20</u>	10.16
Series 6	<u>7.70</u>	6.97
Series 7	<u>7.83</u>	7.08
Series 8	<u>5.20</u>	—

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2018 \$	2017 \$
INCOME		
Interest for attribution purposes	(4)	(7)
Changes in fair value:		
Net realized gain (loss) on investments	100,728	19,803
Net unrealized gain (loss) on investments	756,780	547,275
	<u>857,504</u>	<u>567,071</u>
EXPENSES		
Management fees and guarantee charge	122,865	43,096
Operating expenses	13,356	4,841
	<u>136,221</u>	<u>47,937</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>721,283</u>	<u>519,134</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	289,193	271,301
- per unit	0.85	1.49
Average Number of Units	<u>339,736</u>	182,000
SERIES 6		
Increase (Decrease) in Net Assets from Operations	342,049	243,365
- per unit	0.61	0.93
Average Number of Units	<u>558,915</u>	261,197
SERIES 7		
Increase (Decrease) in Net Assets from Operations	43,260	4,468
- per unit	0.59	1.07
Average Number of Units	<u>73,382</u>	4,162
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	46,781	—
- per unit	0.13	—
Average Number of Units	<u>352,897</u>	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	6,025,124	2,509,596
Increase (Decrease) in Net Assets from operations attributable to contract owners	721,283	519,134
Premiums		
Series 5	2,141,368	363,012
Series 6	3,138,589	809,718
Series 7	247,933	9,168
Series 8*	2,850,041	—
	8,377,931	1,181,898
Withdrawals		
Series 5	(502,444)	(115,318)
Series 6	(2,430,765)	(95,432)
Series 7	(324,463)	(6)
Series 8*	(132,579)	—
	(3,390,251)	(210,756)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	11,734,087	3,999,872

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2018	2017
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	721,283	519,134
Adjustments for:		
Net realized gain (loss)	(100,728)	(19,803)
Net unrealized gain (loss)	(756,780)	(547,275)
Proceeds from sale/maturity of investments	569,319	160,278
Investments purchased	(5,356,102)	(1,088,794)
Receivable for securities sold	—	925
Accrued expenses	13,695	3,840
Payable for securities purchased	100,231	70,858
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(4,809,082)	(900,837)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	8,232,309	1,119,620
Amounts paid on withdrawals	(3,354,989)	(211,863)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	4,877,320	907,757
Increase (decrease) in cash/bank overdraft	68,238	6,920
Cash (bank overdraft), beginning of period	1,339	5,494
CASH (BANK OVERDRAFT), END OF PERIOD	69,577	12,414
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	4	7

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2018

	Number of Units	Cost	Fair Value
Investment Funds (99.6%)		\$	\$
Desjardins Overseas Equity Growth Fund, I-Class	421,418	9,787,395	11,684,650
Total Investments		9,787,395	11,684,650
Other Net Assets (0.4%)			49,437
Net Assets (100%)			11,734,087

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Tencent Holdings	5.7%
ASML Holding	5.2%
AIA Group	4.2%
Alibaba Group Holding	4.1%
Baidu, ADR	3.7%
Ferrari	3.6%
Kering	3.5%
Softbank Corporation	3.3%
Inditex	3.3%
Illumina	3.2%
Amazon.com	3.1%
Tesla Motors	2.8%
M3	2.8%
Zalando	2.7%
Rolls-Royce Holdings	2.6%
L'Oréal	2.4%
Fiat Chrysler Automobiles	2.1%
SMC Corporation	1.7%
Spotify Technology	1.7%
TAL Education Group	1.7%
Atlas Copco	1.7%
Investment AB Kinnevik	1.7%
New Oriental Education & Technology Group	1.6%
Genmab	1.5%
Svenska Handelsbanken	1.5%

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to achieve long-term capital growth by investing in equity and equity related securities of companies located or operating outside of North America, while when appropriate, also investing in equity and equity related securities of companies located or operating in emerging markets.

Strategy of the Fund

Investment decisions are backed by extensive research and analysis with preference given to those companies that can sustain above average growth in earnings and cash flow and whose securities are traded at a reasonable price. The investment approach involves a bottom-up, stock driven approach to country and sector allocation and more specifically, those companies with sustainable competitive advantages and strong management teams operating in a favourable market background and display solid financial characteristics.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	11,684,650	—	—	11,684,650
TOTAL	11,684,650	—	—	11,684,650

December 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	6,040,359	—	—	6,040,359
TOTAL	6,040,359	—	—	6,040,359

Transfers between Levels 1 and 2

During the periods ended June 30, 2018 and December 31, 2017, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds) in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2018

Currency Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		June 30, 2018	December 31, 2017
Benchmarks	%	\$	\$
MSCI EAFE Net	3.00	395,825	193,484

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at June 30, 2018 and December 31, 2017, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

NOTES TO THE FINANCIAL STATEMENTS – unaudited

Six-months Periods Ended June 30, 2018 and 2017

1. ESTABLISHMENT OF THE FUNDS

The Desjardins Financial Security Guaranteed Investment Funds (the Funds) consist of thirty-nine Funds established by Desjardins Financial Security Life Assurance Company (Desjardins Financial Security or the Company) in respect of individual variable insurance contracts issued under the Desjardins Financial Security Guaranteed Investment Funds Plan – Helios, Helios2, the Millennia III Plan and the Imperial Growth Plan. The assets of each Fund are segregated from the Company's other assets and are owned by Desjardins Financial Security. The Funds are not separate legal entities. The Company's head office is located at 200, rue des Commandeurs, Lévis, Québec, Canada G6V 6R2.

The Funds were established on the following dates by resolutions of the Board of Directors:

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
INVESTMENT SOLUTIONS							
Conservative	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Moderate	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Maximum Growth	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
RESPONSIBLE INVESTMENT PORTFOLIOS							
Conservative – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
Balanced – Desjardins SocieTerra	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Growth – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
Maximum Growth – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
INDIVIDUAL FUNDS							
Income							
Money Market	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	Nov. 7, 2014
Income – Fiera Capital	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Bond	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Balanced and Asset Allocation							
Diversified Income – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced Income – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Balanced – Fidelity	—	Dec. 1, 2008	Dec. 1, 2008	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
U.S. Monthly Income – Fidelity	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Global Balanced – Jarislowsky Fraser	—	Nov. 17, 2003	Oct. 29, 2007	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Canadian Balanced – Fiera Capital	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Balanced – Franklin Bissett	—	Dec. 5, 2005	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced Growth – Franklin Quotential	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Balanced – CI Signature	—	—	May 3, 2010	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Income and Growth – CI Signature	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth and Income – NEI Northwest	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Growth – NEI Select	—	Jan. 14, 2002	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Asset Allocation – CI Cambridge	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity							
Dividend Income – Franklin Bissett	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Dividend – NEI Northwest	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity – Jarislowsky Fraser	—	Dec. 5, 2005	Oct. 29, 2007	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Canadian Equity – Fidelity True North®	—	Dec. 1, 2008	Dec. 1, 2008	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity – Franklin Bissett	Nov. 25, 2016	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	Nov. 25, 2016
Specialty Equity – NEI Northwest	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Small Cap – Franklin Bissett	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
Foreign Equity							
American Equity – MFS	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
American Equity Value – Desjardins	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Dividend – Desjardins	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Equity – MFS	—	Dec. 1, 2008	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
International Equity – MFS	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
International Equity Growth – Desjardins	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—

The main activities of the Funds are disclosed in the section "Strategy in Using Financial Instruments" in the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

On April 30, 2018, the Company opened the following Funds, which are available under Series 5, 6, 7 and 8 exclusively:

NAMES OF THE FUNDS

DFS GIF – Conservative – Desjardins SocieTerra

DFS GIF – Growth – Desjardins SocieTerra

DFS GIF – Maximum Growth – Desjardins SocieTerra

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are based on International Financial Reporting Standards (IFRS) in effect as of September 14, 2018, the date on which these financial statements have been authorized for issue by the Board of Directors of the Manager.

SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

On January 1, 2018, the Funds adopted IFRS 9, *Financial Instruments*, retrospectively, without restatement of comparative periods. Therefore, the information presented for the 2017 period is shown per IAS 39, *Financial Instruments: Recognition and Measurement*.

IFRS 9 replaces IAS 39 and gives rise to new requirements for the classification and measurement of financial assets and liabilities, the impairment of financial instruments, as well as requirements for hedge accounting. The Funds do not apply hedge accounting.

Regarding the classification and measurement of financial assets and liabilities, the adoption of IFRS 9 had no impact on the Funds' Statement of Financial Position as at January 1, 2018. Financial assets that were held for trading and thus valued at fair value through profit or loss (FVTPL) as well as the one designated at FVTPL under IAS 39 are now classified at FVTPL under IFRS 9. Under IAS 39, financial assets that were included in the "Loans and receivables" class and measured at amortized cost continue to be measured at amortized cost under IFRS 9. The adoption of IFRS 9 had no impact on the classification and measurement of financial liabilities.

As for the impairment model of IFRS 9, it is applicable to financial assets, loan commitments and financial collateral contracts, except for financial instruments at FVTPL or designated at fair value through other comprehensive income. As the Funds' financial instruments are mainly at FVTPL, the adoption of the new impairment model had no impact on the Funds' Statements of Financial Position as at January 1, 2018.

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Assets and Liabilities

The Funds' financial assets consist primarily of investments in non-derivative financial instruments and derivative financial instruments presented in the Schedule of Investment Portfolio. Financial liabilities consist primarily of derivative financial instruments.

Financial assets and liabilities are recognized on the date that the Funds become a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Classification and Measurement

Under IFRS 9, financial assets are measured at amortized cost, at FVTPL or fair value through other comprehensive income depending on contractual cash flow characteristics and the business model from which they are held.

Cash Flow Characteristics

In order to meet the cash flow characteristics for purposes of financial asset classification, cash flows related to the asset must be solely payments of principal and interest on the principal amount outstanding. Principal generally corresponds to the financial asset fair value at initial recognition. The interest mainly consists of a counterparty for time value of money and the credit risk associated to principal amount outstanding over a period of time.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

Business Model

The Funds' business models are determined in a manner that reflects how groups of financial assets are managed to achieve a particular business objective. The business models refer to how the Funds manage their financial assets in order to generate cash flows, that is, they reflect whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The business models established by the Funds are defined as follows:

- Held for collecting contractual cash flows: The objective of holding financial assets is collecting contractual cash flows;
- Held for collecting contractual cash flows and selling: The objective is achieved both by collecting contractual cash flows and selling financial assets;
- Other business models: The objective is not consistent with the above-mentioned business models.

Under IFRS 9, financial liabilities, measured at FVTPL or at amortized cost, are classified according to their characteristics and the manager's intention at the time of issuance.

Under IAS 39, financial assets and liabilities were classified in different categories according to their characteristics as well as the manager's intention at the time of acquisition or issuance.

The classification and measurement of financial assets and liabilities under IFRS 9 and under IAS 39 are summarized as follows:

	Under IFRS 9	Under IAS 39
Financial Assets		
<i>At Fair Value Through Profit or Loss (FVTPL) (i)</i>		
Derivative financial instruments	Classified at FVTPL	FVTPL – Held for trading
All other investments including equity and fixed-income securities	Classified at FVTPL	FVTPL – Designated at FVTPL
<i>At Amortized Cost (ii)</i>		
Cash and all other receivables	Amortized Cost	Loans and receivables
Financial Liabilities		
<i>At FVTPL (iii)</i>		
Derivative financial instruments and short positions	Classified at FVTPL	FVTPL – Held for trading
<i>At Amortized Cost (iv)</i>		
Bank overdraft and all other payables	Amortized Cost	Amortized Cost

(i) Financial assets classified at FVTPL under IFRS 9 are financial assets which are managed based on fair value or which do not meet the contractual cash flows characteristic test criteria of being solely payments of principal and interest. Under IAS 39, financial assets held for trading were measured at FVTPL, whereas certain financial assets were designated at FVTPL in order to eliminate or significantly reduce a measurement or a recognition inconsistency that would have otherwise arisen from measuring assets or liabilities or recognizing gains or losses on them on different bases.

(ii) Financial assets measured at amortized cost under IFRS 9 are financial assets held as part of a business model whose objective is to collect contractual cash flows and meet the contractual cash flows characteristic test criteria of being solely payments of principal and interest. Under IAS 39, those financial assets were classified as loan and receivables and measured at amortized cost. The amortized cost of those financial assets approximates fair value.

(iii) Financial liabilities measured at FVTPL under IFRS 9 and under IAS 39 are financial liabilities held for trading.

(iv) Under IFRS9 and under IAS 39, financial liabilities not measured at FVTPL are measured at amortized cost, which approximates fair value.

The Funds' obligation concerning net assets attributable to Contract Owners is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivative financial instruments are identical to those used in measuring the net asset value for transactions with Contract Owners, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

As at June 30, 2018 and December 31, 2017, there are no differences between the Funds' net asset value per unit for transactions and their net assets attributable to Contract Owners per unit, in accordance with IFRS.

Determination of the Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the valuation date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the valuation date and there is little subjectivity in its determination. The Funds use the closing price for both financial assets and financial liabilities when this price falls within the bid-ask spread. In circumstances when the closing price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities not traded in an active market, including over-the-counter derivative financial instruments, is determined using valuation techniques. The Funds use a variety of methods and make assumptions based on market conditions existing at each valuation date.

Valuation techniques include the use of comparable recent arm's length transactions, the fair value of other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which make the maximum use of observable inputs. Refer to Note 7 "Financial Instruments Disclosures" for further information about the Funds' fair value measurements.

Liquidity

Cash (bank overdraft) is measured at cost, which closely approximates fair value.

Money Market Securities

Money market securities are recorded at cost including accrued interest, which closely approximates fair value.

Equities and Index-Based Investments

Equity securities and index-based investments securities are recorded at the closing price of the accredited stock exchange on which the corresponding security is principally traded. Unlisted warrants are valued with a recognized valuation model, including Black & Scholes.

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

Bonds, mortgage-backed securities and asset-backed securities are valued based on prices obtained from recognized securities dealers.

Investment Funds

The underlying funds' units are generally valued based on the net asset value per unit provided by the underlying fund's manager at each valuation day.

Derivative Financial Instruments

Certain Funds may use an array of derivative financial instruments such as currency forward contracts, forward contracts and standardized futures contracts for hedging purposes or purposes other than hedging, or both. The fair value of derivative financial instruments takes into account the impact of legally binding master netting agreements, if applicable. Refer to the section "Offsetting Financial Assets and Financial Liabilities" for further information about the Funds' offsetting.

Foreign Currency Forward Contracts and Forward Contracts

The fair value of these instruments corresponds to the gains or losses that would result from the contract close-out on the valuation date; this value is recorded in "Unrealized appreciation (depreciation) on derivatives" in the Statement of Financial Position.

Standardized Futures Contracts

Standardized Futures contracts are valued at fair value and are settled daily through brokers acting as intermediaries. Any amounts receivable (payable) from the settlement of standardized futures contracts are recorded in "Receivable (Payable) on standardized futures contracts" in the Statement of Financial Position.

Valuation of Unlisted Securities and Other Investments

When the valuation principles of the aforementioned investments are not appropriate, fair value is determined according to the Company's best estimates, based on established valuation procedures and on prevailing market conditions on each valuation date. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. For further information, refer to Note 3 "Critical Accounting Judgments, Estimates and Assumptions".

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the First In First Out method. The average cost does not include amortization of premiums or discounts on fixed-income securities with the exception of stripped bonds. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds, are recognized in the Statement of Comprehensive Income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in "Net unrealized gain (loss) on investments" in the Statement of Comprehensive Income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in "Net realized gain (loss) on investments" in the Statement of Comprehensive Income.

Securities Lending and Repurchase Transactions

Certain Funds may enter securities lending and repurchase transactions through the securities lending program of the Funds' custodian, Desjardins Trust Inc. (Trust).

The securities loaned and repurchased are not derecognized in the Statement of Financial Position as substantially all the risks and rewards of ownership of these securities are retained.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day's securities loaned or repurchase transactions. Securities received as collateral in securities lending transactions are not recognized in the Statement of Financial Position as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. Cash guarantees received for securities lending and repurchase transactions are recognized as financial assets in the Statement of Financial Position, in "Cash guarantee received for securities lending" or "Cash guarantee received for repurchase transactions", as appropriate. A liability representing the obligation to return the securities is recognized in "Commitments related to securities lending" or "Commitments related to repurchase transactions", as appropriate.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

Trust, as the Funds' custodian, may use those amounts to buy investments. Revenue generated through Trust's securities lending program is shared by the Fund and Trust at the rate presented in the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund. This revenue is included in "Revenue from securities lending and repurchase transactions" in the Statement of Comprehensive Income.

Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are offset in the Statement of Financial Position for the Funds if, and only if a Fund has:

- a legally enforceable and unconditional right to offset the recognized amounts and
- an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Funds have a legally enforceable and unconditional right to offset a financial asset and liability when they meet the following criteria:

- the right is enforceable in the normal course of business, and
- the right is enforceable in the event of default, insolvency or bankruptcy.

Over-the-counter derivative financial instruments, securities lending and repurchase agreements, receivable for investments sold and payable for investments purchased are subject to master netting or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

Other Assets and Liabilities

Premiums receivable, receivable for investments sold, cash guarantee received for securities lending and repurchase transactions as well as interest, dividends and other receivables are measured at amortized cost under IFRS 9 and IAS 39.

Similarly, accrued expenses, withdrawals payable, payable for investments purchased, commitments related to security lending and repurchase transactions, interest, dividends and other payables, as well as distributions payable are measured at amortized cost under IFRS 9 and IAS 39.

Given the short-term nature of other assets and liabilities, their carrying amount closely approximates their fair value.

Income

Interest for attribution purposes from investments in debt securities and presented in the Statement of Comprehensive Income is recognized as it is earned. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for stripped bonds. Dividends are recognized as income on the ex-dividend date. Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments. Foreign interest and dividend income are accounted for on a gross basis and are included in the income section of the Statement of Comprehensive Income.

Distributions received from underlying funds are recorded at the date of distribution. They are included in "Distributions from underlying funds" and are presented as a separate line item in the Statement of Comprehensive Income.

Distributions received in the form of units from underlying funds are presented as a separate line item called "Non-cash distribution from investments" in the Statement of Cash Flows.

On derivative financial instruments contract close-out, the gains and losses from derivative financial instruments held for hedging purposes are included in "Net realized gain (loss) on derivatives" in the Statement of Comprehensive Income. Gains and losses from derivative financial instruments held for purposes other than hedging are included in "Net income (loss) from derivatives" in the Statement of Comprehensive Income.

Foreign Currency Translation

The Funds' financial statements, premiums and withdrawals are denominated in Canadian dollars, the Funds' functional and presentation currency. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies, are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities are presented within "Net realized gain (loss) on investments" and "Net unrealized gain (loss) on investments" in the Statement of Comprehensive Income.

Increase (Decrease) in Net Assets per Unit from Operations Attributable to Contract Owners

The increase (decrease) in net assets per unit from operations attributable to Contract Owners, presented in the Statement of Comprehensive Income, is calculated by dividing the increase (decrease) in net assets from operations attributable to Contract Owners by the average number of units outstanding during the period.

Income Taxes

Under the *Income Tax Act* (Canada), each Fund is treated as a segregated fund trust. The Fund's income, as well as gains or losses realized, if any, are allocated to Contract Owners on a regular basis. In the case of interest that accumulates in a registered account, Contract Owners will not receive annual tax slips. However, any amount paid to Contract Owners or former Contract Owners may be subject to be taxed in their hands. On the other hand, for interest that accumulates in a non-registered account, Contract Owners will receive an annual tax slip for any income, gains or losses allocated. Under current tax laws, Funds do not pay income taxes, except for any foreign tax withholdings that may apply.

Before January 1, 2017, in certain circumstances, to avoid double taxation to the Contract Owners, the cost of the investments held by Funds was adjusted to properly reflect the adjusted cost base for tax purposes. After this date, the Funds only reflect the accounting based adjustments on the cost of the investments. Following an accounting system conversion in 2017, more detailed records became available to monitor the accounting and tax costs of the investments.

As a result, the accounting cost of investments, being more easily determinable, will be reflected in the Financial Statements in alignment with the cost required under IFRS.

Investments in Entities

The Funds meet the definition of IFRS 10, *Consolidated Financial Statements*, of investment entities and account for their investments in underlying funds at FVTPL.

According to IFRS 12, *Disclosure of Interests in Other Entities*, the Funds must disclose specific information on their investments in other entities, such as subsidiaries, associates and structured entities.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to variable returns from its involvement with the entity and through its power over the entity.

Associates

Associates are investments in entities over which the Fund exercises significant influence without, however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Company has determined that its investments in underlying funds (including limited partnerships), index-based investments, mortgage-backed securities, asset-backed securities and master asset vehicles (included in the bonds category), are structured entities, unless the specified relationship is different.

Refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund for more information on investment entities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Management of the Company to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements.

Fair Value Measurement of Derivative Financial Instruments and Securities Not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Funds consider the data observable if market data is readily available, distributed or updated on a regular basis, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Company.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation. Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values. Refer to Note 7 "Financial Instruments Disclosures" for further information on fair value measurement of financial instruments.

Classification and Measurement of Investments and Application of the Fair Value Option under IAS 39

In classifying and measuring financial instruments held by the Funds, the Manager was required to make significant judgments about whether or not the business of the Funds was to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39. The most significant judgment was to determine if certain instruments were held-for-trading and if the fair value option could be applied to those which were not. For further information on financial instruments, refer to Note 2 "Basis of Presentation and Significant Accounting Policies".

4. NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Structure of the Funds and the Units Attributed

The Funds are wholly owned assets of Desjardins Financial Security, which have been segregated from the Company's other assets. Except for instances where the Company has acquired an interest in a Fund, the Funds' assets may only be used to pay benefits under the Contracts.

Each Fund has a series of units, which are attributed to Contracts for the purpose of determining the value of benefits to the units attributable to those Contracts. A Contract Owner acquires no direct claim on the units or assets of a Fund by purchasing a Contract but only the benefits that are provided under the Contract.

Units within the same series of Funds have the same net asset value per unit. Subject to the Company's administrative rules, Contract Owners have the right to make transactions under their Contracts such as premiums, withdrawals and switches between units of Funds. Because of these transactions, units are attributed to and withdrawn from the Contract based on each Contract's terms and conditions or as provided by law. Since the Contract Owner does not own units of a Fund, ownership of units cannot be sold or transferred to another party. There are no voting rights associated with the units of the Fund.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

Classification of Units Attributable to Contract Owners

The Funds' outstanding units qualify as "puttable instruments" as required by the IAS 32; *Financial Instruments: Presentation* (IAS 32). IAS 32 states that units that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liabilities. The Funds issue different series of units attributable to Contract Owners that are equally subordinated but have different features.

In addition, the Funds have a contractual obligation to attribute annually any taxable income that allows the Contract Owners to request cash payment for any attributions. These features breach the requirements for the units to be presented as equity under IAS 32. Consequently, the Funds' outstanding units are classified as financial liabilities in these financial statements.

Valuation of the Units

The units of a Fund are valued according to the administrative rules established by the Company and in accordance with the Contract and all laws and regulations applicable to the Funds.

These units differ with respect to redemption charges and management fees charged to each series (See Note 5). The net asset value per unit is determined on each market day by dividing the net assets attributable to Contract Owners by its outstanding units.

Series of Units Available

The Desjardins Financial Security Guaranteed Investment Funds Plan, the Millennia III Plan, and the Imperial Growth Plan, as well as the various Contract versions offered under each of these Plans, offers different Series providing different guarantees and provisions as well as varying Management Expense Ratios (MERs).

Series IGP: This Series was offered under the Imperial Growth Plan through the three remaining Contracts (C71, C81, and C88). The Imperial Growth Plan was offered pre-1995.

Series 1: This Series was offered under the Millennia III Plan through two different Contracts: the Millennia III and Millennia III – New Era Contracts. The Millennia III Plan was offered from November 15, 1995 to October 28, 2007.

Series 3: This Series was offered under the Millennia III Plan through two different Contracts: the Millennia III – Classic and Millennia III – New Era Contracts. The Millennia III Plan was offered from November 15, 1995 to October 28, 2007.

Series 5: This Series was offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 6: This Series is offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 7: This Series was offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 8: This Series is offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Number of Units

The number of units outstanding in each Fund as at June 30, 2018 and 2017, and the number of units attributed to and withdrawn from Contracts during the periods are as follows:

	Outstanding Units		Attributed Units		Withdrawn Units	
	2018	2017	2018	2017	2018	2017
INVESTMENT SOLUTIONS						
Conservative						
Series 5	886,270	206,454	168,506	66,355	65,357	43,206
Series 6	2,178,803	2,323,112	327,779	387,428	826,312	289,855
Series 7	534,186	366,902	269,842	127,211	158,749	55,343
Series 8	550,991	—	554,208	—	3,217	—
Moderate						
Series 5	362,618	131,109	194,292	16,128	19,254	13,279
Series 6	4,205,743	4,434,397	1,020,921	617,213	1,720,301	290,939
Series 7	1,510,298	911,164	748,200	161,002	334,789	6,162
Series 8	1,400,757	—	1,446,993	—	46,236	—
Balanced						
Series 5	781,198	239,853	305,985	121,523	86,853	14,139
Series 6	8,667,174	9,953,168	1,717,930	1,923,167	4,453,502	512,920
Series 7	1,947,999	1,256,848	409,333	276,114	232,812	257,212
Series 8	4,326,409	—	4,493,581	—	167,172	—

	Outstanding Units		Attributed Units		Withdrawn Units	
	2018	2017	2018	2017	2018	2017
Growth						
Series 5	2,611,021	1,455,375	966,508	807,115	167,951	112,257
Series 6	6,173,401	6,455,604	1,331,099	1,081,732	2,799,545	448,723
Series 7	1,276,850	604,918	163,617	211,802	104,926	341,730
Series 8	2,721,891	—	2,782,524	—	60,633	—
Maximum Growth						
Series 5	64,356	33,266	27,133	8,805	1,489	22
Series 6	660,488	506,013	179,900	100,503	190,711	15,348
Series 7	274,169	80,265	67,754	506	767	—
Series 8	214,658	—	214,848	—	190	—
RESPONSIBLE INVESTMENT PORTFOLIOS						
Conservative – Desjardins SocieTerra						
Series 5	29,281	—	29,281	—	—	—
Series 6	54,781	—	84,953	—	30,172	—
Series 7	28,000	—	28,000	—	—	—
Series 8	48,769	—	65,325	—	16,556	—
Balanced – Desjardins SocieTerra						
Series 5	1,389,843	1,363,100	234,927	100,447	187,340	108,825
Series 6	1,594,553	1,655,940	285,479	349,838	605,543	67,481
Series 7	934,418	568,311	74,145	322,634	9,162	18,371
Series 8	582,304	—	594,105	—	11,801	—
Growth – Desjardins SocieTerra						
Series 5	99,168	—	99,326	—	158	—
Series 6	123,912	—	125,275	—	1,363	—
Series 7	28,000	—	28,000	—	—	—
Series 8	29,782	—	29,784	—	2	—
Maximum Growth – Desjardins SocieTerra						
Series 5	34,312	—	34,312	—	—	—
Series 6	29,972	—	29,973	—	1	—
Series 7	28,000	—	28,000	—	—	—
Series 8	28,667	—	28,667	—	—	—
INDIVIDUAL FUNDS						
Income						
Money Market						
Series 1	62,107	67,984	390	26,318	6,000	17,225
Series 3	345,297	404,454	76,072	92,178	33,005	32,276
Series 5	2,104,317	2,444,117	492,356	433,398	674,563	776,063
Series 6	1,953,913	2,427,949	688,654	1,134,805	1,199,413	843,360
Series 7	253,878	328,396	228,892	402,308	333,324	564,563
Series 8	508,650	—	583,819	—	75,169	—
Series IGP	132,987	138,671	296	3,208	3,832	13,447
Income – Fiera Capital						
Series 1	116,836	153,847	265	3,900	14,210	46,054
Series 3	647,622	760,963	8,837	8,278	77,668	120,542
Series 5	4,979,793	6,072,005	190,539	195,726	838,113	952,744
Series 6	1,370,273	1,780,956	249,582	312,677	691,846	334,992
Series 7	512,081	219,120	257,068	20,927	80,995	10,981
Series 8	319,930	—	488,772	—	168,842	—
Canadian Bond						
Series 5	5,212,590	6,221,009	116,562	309,754	854,517	917,572
Series 6	1,069,874	1,258,467	195,183	327,931	425,513	145,890
Series 7	66,238	35,919	1,472	17,337	3,267	14,920
Series 8	226,875	—	229,112	—	2,237	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2018	2017	2018	2017	2018	2017
Balanced and Asset Allocation						
Diversified Income – Franklin Quotential						
Series 3	633,075	735,472	15,566	35,315	64,022	73,502
Series 5	17,032,167	19,740,405	806,549	1,035,288	2,368,167	2,718,791
Series 6	4,083,942	6,036,196	550,892	752,498	2,446,562	517,256
Series 7	1,037,384	845,158	65,057	161,254	132,185	13,471
Series 8	1,888,456	—	2,017,652	—	129,196	—
Balanced Income – Franklin Quotential						
Series 3	1,056,303	1,241,814	13,977	35,915	121,246	80,928
Series 5	27,415,653	29,681,659	1,316,545	1,193,766	2,426,260	2,701,149
Series 6	3,470,513	4,517,321	420,185	609,617	1,676,213	380,820
Series 7	879,004	867,013	50,002	11,514	61,628	9,461
Series 8	1,420,140	—	1,453,006	—	32,866	—
Canadian Balanced – Fidelity						
Series 3	980,611	1,111,150	38,389	92,600	95,507	154,519
Series 5	71,091,597	81,067,695	3,741,621	4,139,728	9,302,091	9,066,729
Series 6	5,213,644	7,028,760	628,985	1,327,968	2,692,655	517,343
Series 7	844,050	429,963	260,689	139,581	157,155	11,344
Series 8	2,025,296	—	2,115,851	—	90,555	—
U.S. Monthly Income – Fidelity						
Series 5	421,226	562,980	46,970	159,689	170,739	131,669
Series 6	1,032,655	1,421,028	224,532	520,048	757,972	111,659
Series 7	556,067	240,769	227,362	128,397	92,792	6,231
Series 8	578,134	—	611,627	—	33,493	—
Global Balanced – Jarislowsky Fraser						
Series 3	971,882	1,079,267	53,331	38,952	119,164	96,481
Series 5	20,253,451	21,787,872	1,542,827	1,289,336	2,331,558	1,871,635
Series 6	6,590,443	7,648,366	1,347,235	1,799,452	4,178,370	296,426
Series 7	1,773,563	1,033,098	356,496	222,216	285,349	12,766
Series 8	3,599,312	—	3,695,648	—	96,336	—
Canadian Balanced – Fiera Capital						
Series 1	560,187	657,072	3,849	20,803	65,614	83,151
Series 3	1,037,523	1,193,037	10,614	27,614	73,893	123,356
Series 5	10,977,717	12,083,255	424,913	476,633	1,055,588	1,032,662
Series 6	1,829,300	2,645,994	237,425	489,170	1,269,198	125,883
Series 7	436,491	170,632	246,426	16,381	28,684	1,815
Series 8	1,214,108	—	1,266,459	—	52,351	—
Canadian Balanced – Franklin Bissett						
Series 3	641,812	827,512	12,128	67,650	103,767	66,251
Series 5	18,370,204	20,552,256	680,731	1,219,475	2,038,296	1,759,215
Series 6	5,702,937	8,013,076	548,474	1,757,032	3,396,622	335,127
Series 7	857,629	676,242	140,116	55,751	87,472	11,232
Series 8	2,652,765	—	2,714,223	—	61,458	—
Balanced Growth – Franklin Quotential						
Series 3	1,582,931	1,654,958	121,150	24,071	111,513	189,936
Series 5	63,685,605	68,698,320	2,314,206	2,535,597	5,232,784	6,081,058
Series 6	5,141,925	6,141,726	541,213	690,004	2,074,302	444,724
Series 7	872,117	775,783	182,413	47,054	100,882	5,296
Series 8	1,911,819	—	1,957,692	—	45,873	—
Canadian Balanced – CI Signature						
Series 5	12,434,504	12,336,447	976,726	1,348,116	1,508,642	1,062,173
Series 6	4,208,823	5,555,591	783,729	874,589	2,360,443	233,033
Series 7	883,250	467,121	361,665	44,787	76,070	2,899
Series 8	2,006,812	—	2,055,201	—	48,389	—

	Outstanding Units		Attributed Units		Withdrawn Units	
	2018	2017	2018	2017	2018	2017
Income and Growth – CI Signature						
Series 5	6,615,645	6,169,365	1,259,949	883,688	863,955	873,461
Series 6	5,128,579	6,159,062	1,329,728	935,928	3,106,864	326,272
Series 7	1,268,094	393,950	337,518	61,228	141,412	17,422
Series 8	3,349,180	—	3,397,608	—	48,428	—
Growth and Income – NEI Northwest						
Series 3	303,209	265,055	66,340	9,405	60,648	66,155
Series 5	20,753,711	21,149,377	2,167,742	1,402,161	2,136,130	2,223,866
Series 6	5,255,272	4,495,555	1,910,737	1,176,303	2,413,678	168,869
Series 7	1,205,183	281,220	670,452	53,196	62,172	24,487
Series 8	2,503,202	—	2,559,506	—	56,304	—
Global Growth – NEI Select						
Series 3	390,704	463,754	32,044	10,818	77,899	27,932
Series 5	9,412,716	8,749,859	1,486,632	894,463	828,464	827,111
Series 6	3,928,106	3,638,578	1,183,422	844,372	1,658,192	160,008
Series 7	1,075,515	655,871	289,388	322,340	89,597	5,482
Series 8	1,902,236	—	1,909,346	—	7,110	—
Canadian Asset Allocation – CI Cambridge						
Series 5	699,174	872,232	27,253	101,740	149,262	85,837
Series 6	792,283	1,408,320	63,336	294,403	690,216	76,239
Series 7	565,123	156,280	276,975	90,445	25,656	9,400
Series 8	589,400	—	614,838	—	25,438	—
Growth – Franklin Quotential						
Series 3	353,647	381,571	12,447	5,700	31,493	20,094
Series 5	7,304,610	7,920,020	171,608	110,074	567,932	419,797
Series 6	512,828	620,270	131,153	110,786	258,241	49,767
Series 7	42,776	12,189	30,619	4,943	21	12
Series 8	215,756	—	245,133	—	29,377	—
Canadian Equity						
Dividend Income – Franklin Bissett						
Series 3	2,570,810	2,939,785	73,494	74,756	253,069	287,112
Series 5	10,060,608	11,450,963	248,088	384,771	1,033,495	923,138
Series 6	1,439,496	1,660,099	376,854	359,534	744,174	138,052
Series 7	195,303	126,016	22,002	20,650	29,839	1,075
Series 8	608,446	—	621,360	—	12,914	—
Canadian Dividend – NEI Northwest						
Series 5	2,133,214	2,325,652	189,338	350,675	295,727	388,964
Series 6	633,286	818,665	169,045	227,635	376,244	22,426
Series 7	99,994	35,323	63,142	20,126	8,846	5,192
Series 8	369,233	—	388,967	—	19,734	—
Canadian Equity – Jarislowsky Fraser						
Series 3	402,844	461,292	8,456	5,126	52,471	69,337
Series 5	15,474,241	18,137,383	256,414	220,534	2,046,679	1,093,974
Series 6	244,985	231,370	59,401	81,231	124,263	7,617
Series 7	166,561	51,531	81,916	45,184	39	—
Series 8	104,114	—	104,549	—	435	—
Canadian Equity – Fidelity True North®						
Series 3	99,003	114,085	5,971	11,722	28,476	27,942
Series 5	1,686,651	1,919,078	175,928	298,642	302,032	362,024
Series 6	1,590,444	2,176,374	206,611	563,612	876,968	149,605
Series 7	189,565	143,912	57,901	16,532	58,254	16,967
Series 8	735,927	—	765,971	—	30,044	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2018	2017	2018	2017	2018	2017
Canadian Equity – Franklin Bissett						
Series 1	2,414,658	2,902,732	57,835	12,245	336,595	249,778
Series 3	1,705,483	1,998,628	20,482	59,369	171,413	187,582
Series 5	1,027,887	1,289,033	30,933	199,118	232,975	200,287
Series 6	526,983	822,999	40,845	170,236	360,403	136,757
Series 7	37,927	49,235	—	46,452	4,900	29,755
Series 8	261,518	—	269,950	—	8,432	—
Series IGP	240,873	266,634	1,167	773	24,309	9,228
Specialty Equity – NEI Northwest						
Series 3	347,082	440,408	2,530	3,430	62,523	53,306
Series 5	1,461,569	1,652,738	191,714	232,926	327,815	357,503
Series 6	236,278	357,729	48,756	75,355	179,119	12,907
Series 7	5,522	5,522	—	1,468	—	—
Series 8	118,945	—	146,353	—	27,408	—
Small Cap – Franklin Bissett						
Series 3	340,064	379,541	5,258	8,134	28,060	47,653
Series 5	406,312	497,983	23,480	54,330	81,940	60,531
Series 6	499,551	629,447	89,951	164,607	219,697	106,082
Series 7	61,681	63,644	7,690	56,735	27	12
Series 8	109,800	—	112,900	—	3,100	—
Foreign Equity						
American Equity – MFS						
Series 3	511,761	540,768	59,287	11,953	59,185	54,295
Series 5	1,465,212	1,563,986	288,850	272,864	290,903	204,688
Series 6	1,283,723	1,126,292	530,017	282,210	646,687	93,747
Series 7	237,460	34,193	190,717	11,954	27,767	1,359
Series 8	795,288	—	812,324	—	17,036	—
American Equity Value – Desjardins						
Series 1	344,666	331,069	7,918	2,172	13,056	8,454
Series 3	285,694	328,053	12,772	20,468	35,443	51,056
Series 5	1,096,972	1,256,689	82,306	169,957	191,418	168,606
Series 6	750,935	1,021,859	118,701	229,172	401,767	72,800
Series 7	81,267	90,618	19,199	51,765	6,643	84
Series 8	472,931	—	489,196	—	16,265	—
Global Dividend – Desjardins						
Series 5	1,001,912	1,037,963	84,247	103,393	97,432	169,088
Series 6	1,543,315	2,019,752	392,878	408,210	1,111,924	109,592
Series 7	371,133	176,227	25,053	31,834	41,788	1,760
Series 8	1,162,585	—	1,222,478	—	59,893	—
Global Equity – MFS						
Series 3	662,659	627,986	91,472	88,984	70,002	105,980
Series 5	9,734,097	10,706,897	266,644	270,216	707,871	577,003
Series 6	437,807	399,794	215,910	120,040	294,499	48,365
Series 7	184,335	39,778	135,167	10,035	7,081	35
Series 8	385,785	—	390,326	—	4,541	—
International Equity – MFS						
Series 1	288,798	253,211	70,354	419	79,715	15,109
Series 3	571,084	583,678	44,944	12,905	45,901	86,873
Series 5	505,649	528,319	72,480	41,360	104,297	53,159
Series 6	281,773	164,989	141,589	45,679	124,121	34,388
Series 7	81,663	55,952	61,122	20,424	10,015	45
Series 8	79,355	—	82,386	—	3,031	—
International Equity Growth – Desjardins						
Series 5	376,184	202,212	196,449	40,780	45,344	13,941
Series 6	554,814	335,961	415,998	130,835	323,111	16,223
Series 7	61,679	5,577	31,558	1,428	42,822	1
Series 8	531,137	—	556,427	—	25,290	—

5. MANAGEMENT FEES AND OTHER EXPENSES

Management fees

In return for investment management, Desjardins Financial Security is paid a management fee from the Funds based on the net asset value of the units attributed to each series of each Fund and calculated daily.

The management fees, as a percentage of the daily average net assets, are as follows:

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
	%	%	%	%	%	%	%
INVESTMENT SOLUTIONS							
Conservative	—	—	2.05	1.95	1.50	1.65	—
Moderate	—	—	2.05	2.00	1.55	1.70	—
Balanced	—	—	2.10	2.00	1.55	1.70	—
Growth	—	—	2.15	2.05	1.60	1.75	—
Maximum Growth	—	—	2.15	2.05	1.60	1.75	—
RESPONSIBLE INVESTMENT PORTFOLIOS							
Conservative –							
Desjardins SocieTerra	—	—	2.20	2.10	1.65	1.80	—
Balanced – Desjardins SocieTerra	—	—	1.88	2.15	1.70	1.85	—
Growth – Desjardins SocieTerra	—	—	2.30	2.20	1.75	1.90	—
Maximum Growth –							
Desjardins SocieTerra	—	—	2.40	2.30	1.85	2.00	—
INDIVIDUAL FUNDS							
Income							
Money Market	0.75	0.75	0.75	0.80	0.35	0.50	1.30
Income – Fiera Capital	1.50	1.38	1.09	1.35	0.90	1.05	—
Canadian Bond	—	—	1.09	1.35	0.90	1.05	—
Balanced and Asset Allocation							
Diversified Income –							
Franklin Quotential	—	1.90	1.96	2.20	1.75	1.90	—
Balanced Income –							
Franklin Quotential	—	1.90	1.96	2.15	1.70	1.85	—
Canadian Balanced – Fidelity	—	2.02	2.02	2.20	1.75	1.90	—
U.S. Monthly Income – Fidelity	—	—	2.40	2.30	1.85	2.00	—
Global Balanced –							
Jarislowsky Fraser	—	2.10	1.69	2.10	1.65	1.80	—
Canadian Balanced –							
Fiera Capital	2.00	1.65	1.68	2.00	1.55	1.70	—
Canadian Balanced –							
Franklin Bissett	—	1.95	1.75	2.00	1.55	1.70	—
Balanced Growth –							
Franklin Quotential	—	1.90	1.96	2.15	1.70	1.85	—
Canadian Balanced –							
CI Signature	—	—	1.89	2.15	1.70	1.85	—
Income and Growth –							
CI Signature	—	—	2.20	2.20	1.75	1.90	—
Growth and Income –							
NEI Northwest	—	2.22	2.03	2.20	1.75	1.90	—
Global Growth – NEI Select	—	2.33	2.10	2.30	1.85	2.00	—
Canadian Asset Allocation –							
CI Cambridge	—	—	2.20	2.05	1.60	1.75	—
Growth – Franklin Quotential	—	2.15	2.21	2.20	1.75	1.90	—
Canadian Equity							
Dividend Income – Franklin Bissett	—	2.06	1.75	2.15	1.70	1.85	—
Canadian Dividend –							
NEI Northwest	—	—	2.20	2.15	1.70	1.85	—
Canadian Equity –							
Jarislowsky Fraser	—	2.15	1.69	2.10	1.65	1.80	—
Canadian Equity – Fidelity							
True North®	—	2.02	2.02	2.25	1.80	1.95	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
	%	%	%	%	%	%	%
Canadian Equity – Franklin Bissett	2.75	2.18	1.75	2.10	1.65	1.80	1.95
Specialty Equity – NEI Northwest	—	2.35	2.16	2.40	1.95	2.10	—
Small Cap – Franklin Bissett	—	2.25	2.01	2.40	1.95	2.10	—
Foreign Equity							
American Equity – MFS	—	2.25	1.71	2.15	1.70	1.85	—
American Equity Value – Desjardins	2.00	1.69	2.06	2.10	1.65	1.80	—
Global Dividend – Desjardins	—	—	2.20	2.20	1.75	1.90	—
Global Equity – MFS	—	1.78	1.78	2.25	1.80	1.95	—
International Equity – MFS	2.00	1.95	1.69	2.25	1.80	1.95	—
International Equity Growth – Desjardins	—	—	2.20	2.20	1.75	1.90	—

Operating Expenses

In addition to management fees, a charge is applied to each Fund for operating and administrative expenses relating to the Fund. Each Fund is also responsible for all applicable taxes, including Goods and Services Tax (GST) and Harmonized Sales Tax (HST) if any, and all brokerage commissions incurred by a Fund in buying and selling investments on behalf of a Fund.

Management Expense Ratios

Some expenses (audit fees, legal fees, custodial fees, marketing costs, etc.) have been absorbed by the Company. Management expense ratios for all the Funds would be 16 basis points higher if these expenses had been charged to the Funds. The Company does not intend to change its method of allocating costs.

The management expense ratios for the period ended June 30, 2018 and for each of the past five years, which includes management, guarantee, operating expenses and taxes are as follows:

	June 30, 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
	%	%	%	%	%	%
INVESTMENT SOLUTIONS						
Conservative**						
Series 5	2.61	2.59	2.59	2.59*	—	—
Series 6	2.46	2.47	2.47	2.49	2.51*	—
Series 7	1.90	1.91	1.88	2.01	2.01*	—
Series 8	2.14*	—	—	—	—	—
Moderate**						
Series 5	2.68	2.67	2.70	2.64*	—	—
Series 6	2.50	2.50	2.49	2.51	2.54*	—
Series 7	1.95	1.95	1.90	1.90	2.07*	—
Series 8	2.19*	—	—	—	—	—
Balanced**						
Series 5	2.73	2.73	2.76	2.70*	—	—
Series 6	2.56	2.56	2.54	2.57	2.57*	—
Series 7	2.05	2.07	2.08	2.13	2.13*	—
Series 8	2.25*	—	—	—	—	—
Growth**						
Series 5	2.79	2.78	2.82	2.76*	—	—
Series 6	2.58	2.58	2.59	2.68	2.68*	—
Series 7	2.05	2.07	2.10	2.18	2.18*	—
Series 8	2.31*	—	—	—	—	—
Maximum Growth**						
Series 5	2.76	2.76	2.87	2.81*	—	—
Series 6	2.70	2.70	2.67	2.71	2.71*	—
Series 7	2.06	2.24	2.24	2.24	2.24*	—
Series 8	2.36*	—	—	—	—	—
RESPONSIBLE INVESTMENT PORTFOLIOS						
Conservative – Desjardins SocieTerra						
Series 5	2.76*	—	—	—	—	—
Series 6	2.64*	—	—	—	—	—
Series 7	2.14*	—	—	—	—	—
Series 8	2.31*	—	—	—	—	—

	June 30, 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
	%	%	%	%	%	%
Balanced – Desjardins SocieTerra						
Series 5	2.81	2.81	2.81	2.81*	—	—
Series 6	2.68	2.70	2.76	2.74*	—	—
Series 7	2.13	2.11	2.30	2.30*	—	—
Series 8	2.42*	—	—	—	—	—
Growth – Desjardins SocieTerra						
Series 5	2.93*	—	—	—	—	—
Series 6	2.81*	—	—	—	—	—
Series 7	2.31*	—	—	—	—	—
Series 8	2.48*	—	—	—	—	—
Maximum Growth – Desjardins SocieTerra						
Series 5	3.09*	—	—	—	—	—
Series 6	2.98*	—	—	—	—	—
Series 7	2.48*	—	—	—	—	—
Series 8	2.64*	—	—	—	—	—
INDIVIDUAL FUNDS						
Income						
Money Market**						
Series 1	1.73	1.72	1.72	1.72	1.72	1.72
Series 3	1.73	1.73	1.71	1.72	1.73	1.72
Series 5	1.39	1.38	1.38	1.39	1.39	1.40
Series 6	1.13	1.13	1.12	1.10	1.11*	—
Series 7	0.59	0.58	0.61	0.63	0.63*	—
Series 8	0.79*	—	—	—	—	—
Series IGP	1.66	1.65	1.66	1.66	1.67*	—
Income – Fiera Capital						
Series 1	2.97	2.95	2.93	2.93	2.94	2.93
Series 3	2.61	2.61	2.61	2.61	2.62	2.61
Series 5	1.96	1.96	1.96	1.96	1.96	1.95
Series 6	1.77	1.78	1.77	1.79	1.80*	—
Series 7	1.29	1.20	1.22	1.31	1.32*	—
Series 8	1.46*	—	—	—	—	—
Canadian Bond**						
Series 5	1.96	1.96	1.96	1.96*	—	—
Series 6	1.80	1.78	1.77	1.75*	—	—
Series 7	1.22	1.22	1.22	1.32*	—	—
Series 8	1.46*	—	—	—	—	—
Balanced and Asset Allocation						
Diversified Income – Franklin Quotential						
Series 3	3.15	3.14	3.14	3.13	3.14	3.15
Series 5	2.92	2.91	2.91	2.92	2.92	2.92
Series 6	2.71	2.70	2.71	2.68	2.72*	—
Series 7	2.22	2.18	2.20	2.27	2.30*	—
Series 8	2.42*	—	—	—	—	—
Balanced Income – Franklin Quotential						
Series 3	3.20	3.20	3.20	3.20	3.20	3.20
Series 5	2.95	2.95	2.95	2.95	2.95	2.94
Series 6	2.75	2.75	2.76	2.75	2.74*	—
Series 7	2.27	2.28	2.30	2.30	2.30*	—
Series 8	2.42*	—	—	—	—	—
Canadian Balanced – Fidelity						
Series 3	3.38	3.38	3.39	3.41	3.41	3.40
Series 5	2.96	2.96	2.96	2.96	2.96	2.96
Series 6	2.81	2.81	2.81	2.82	2.83*	—
Series 7	2.27	2.28	2.28	2.34	2.36*	—
Series 8	2.48*	—	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	June 30, 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
	%	%	%	%	%	%
U.S. Monthly Income – Fidelity						
Series 5	3.00	2.97	3.10	3.04*	—	—
Series 6	2.88	2.89	2.99	2.93*	—	—
Series 7	2.37	2.39	2.47	2.42*	—	—
Series 8	2.59*	—	—	—	—	—
Global Balanced – Jarislowsky Fraser						
Series 3	3.37	3.37	3.39	3.40	3.40	3.40
Series 5	2.85	2.85	2.85	2.85	2.86	2.86
Series 6	2.68	2.68	2.63	2.59*	—	—
Series 7	2.15	2.18	2.24	2.24*	—	—
Series 8	2.36*	—	—	—	—	—
Canadian Balanced – Fiera Capital**						
Series 1	3.83	3.83	3.83	3.83	3.82	3.82
Series 3	3.19	3.18	3.19	3.20	3.19	3.19
Series 5	2.55	2.55	2.55	2.55	2.55	2.55
Series 6	2.57	2.57	2.57	2.59	2.60*	—
Series 7	2.03	2.08	2.08	2.12	2.13*	—
Series 8	2.25*	—	—	—	—	—
Canadian Balanced – Franklin Bissett						
Series 3	3.17	3.18	3.18	3.17	3.19	3.18
Series 5	2.77	2.77	2.77	2.77	2.77	2.77
Series 6	2.61	2.61	2.60	2.59	2.61*	—
Series 7	2.10	2.11	2.11	2.10	2.00*	—
Series 8	2.31*	—	—	—	—	—
Balanced Growth – Franklin Quotential						
Series 3	3.27	3.26	3.26	3.27	3.27	3.29
Series 5	2.97	2.97	2.97	2.97	2.97	2.97
Series 6	2.78	2.79	2.80	2.79	2.80*	—
Series 7	2.27	2.29	2.34	2.36	2.36*	—
Series 8	2.48*	—	—	—	—	—
Canadian Balanced – CI Signature						
Series 5	3.00	2.99	2.99	2.99	2.99	2.99
Series 6	2.78	2.78	2.79	2.78	2.77*	—
Series 7	2.25	2.28	2.29	2.34	2.36*	—
Series 8	2.48*	—	—	—	—	—
Income and Growth – CI Signature						
Series 5	3.04	3.04	3.05	3.05	3.07	3.07
Series 6	2.90	2.89	2.90	2.85	2.84*	—
Series 7	2.34	2.36	2.36	2.32	2.47*	—
Series 8	2.59*	—	—	—	—	—
Growth and Income – NEI Northwest						
Series 3	3.62	3.63	3.64	3.64	3.64	3.64
Series 5	2.94	2.94	2.94	2.94	2.94	2.94
Series 6	2.83	2.84	2.85	2.87	2.86*	—
Series 7	2.28	2.29	2.30	2.41	2.41*	—
Series 8	2.53*	—	—	—	—	—
Global Growth – NEI Select						
Series 3	3.82	3.83	3.85	3.85	3.85	3.86
Series 5	3.13	3.13	3.13	3.12	3.12	3.12
Series 6	3.00	2.99	2.98	2.98	3.02*	—
Series 7	2.37	2.46	2.40	2.59	2.59*	—
Series 8	2.70*	—	—	—	—	—

	June 30, 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
	%	%	%	%	%	%
Canadian Asset Allocation – CI Cambridge						
Series 5	2.90	2.89	2.90	2.89	2.91	2.95
Series 6	2.71	2.70	2.70	2.68	2.69*	—
Series 7	2.20	2.21	2.19	2.30	2.30*	—
Series 8	2.42*	—	—	—	—	—
Growth – Franklin Quotential						
Series 3	3.60	3.60	3.61	3.61	3.62	3.61
Series 5	3.22	3.22	3.22	3.22	3.21	3.21
Series 6	2.89	2.89	2.89	2.92	2.93*	—
Series 7	2.46	2.45	2.45	2.47	2.47*	—
Series 8	2.59*	—	—	—	—	—
Canadian Equity						
Dividend Income – Franklin Bissett						
Series 3	3.39	3.39	3.40	3.39	3.39	3.39
Series 5	2.93	2.93	2.93	2.93	2.94	2.94
Series 6	2.71	2.71	2.70	2.70	2.72*	—
Series 7	2.22	2.19	2.17	2.13	2.10*	—
Series 8	2.42*	—	—	—	—	—
Canadian Dividend – NEI Northwest						
Series 5	3.07	3.07	3.08	3.08	3.08	3.09
Series 6	2.87	2.88	2.87	2.85	2.90*	—
Series 7	2.39	2.39	2.41	2.41	2.41*	—
Series 8	2.53*	—	—	—	—	—
Canadian Equity – Jarislowsky Fraser**						
Series 3	3.60	3.60	3.59	3.58	3.59	3.59
Series 5	2.92	2.92	2.92	2.91	2.92	2.91
Series 6	2.82	2.82	2.93	2.87*	—	—
Series 7	2.33	2.41	2.41	2.36*	—	—
Series 8	2.53*	—	—	—	—	—
Canadian Equity – Fidelity True North®						
Series 3	3.58	3.57	3.56	3.59	3.62	3.62
Series 5	3.21	3.20	3.20	3.20	3.21	3.20
Series 6	3.04	3.03	3.04	3.05	3.04*	—
Series 7	2.55	2.48	2.46	2.58	2.59*	—
Series 8	2.70*	—	—	—	—	—
Canadian Equity – Franklin Bissett						
Series 1	3.97	3.97	3.98*	—	—	—
Series 3	3.59	3.58	3.59	3.59	3.59	3.59
Series 5	2.97	2.97	2.97	2.97	2.98	2.98
Series 6	2.80	2.80	2.80	2.79	2.83*	—
Series 7	2.27	2.41	2.41	2.41	2.41*	—
Series 8	2.53*	—	—	—	—	—
Series IGP	2.38	2.39	2.38*	—	—	—
Specialty Equity – NEI Northwest						
Series 3	3.83	3.82	3.82	3.83	3.83	3.83
Series 5	3.28	3.28	3.28	3.27	3.28	3.29
Series 6	3.23	3.24	3.21	3.21	3.24*	—
Series 7	2.76	2.76	2.76	2.76	2.76*	—
Series 8	2.87*	—	—	—	—	—
Small Cap – Franklin Bissett						
Series 3	3.76	3.76	3.76	3.74	3.75	3.75
Series 5	3.14	3.14	3.14	3.13	3.13	3.13
Series 6	3.14	3.14	3.14	3.12	3.15*	—
Series 7	2.45	2.74	2.74	2.56	2.76*	—
Series 8	2.87*	—	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	June 30, 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %	December 31 2013 %
Foreign Equity						
American Equity – MFS**						
Series 3	3.73	3.74	3.75	3.76	3.77	3.76
Series 5	2.94	2.93	2.93	2.93	2.94	2.97
Series 6	2.90	2.88	2.87	2.88	2.87*	—
Series 7	2.43	2.44	2.44	2.47	2.47*	—
Series 8	2.59*	—	—	—	—	—
American Equity Value – Desjardins						
Series 1	3.82	3.82	3.82	3.81	3.82	3.82
Series 3	3.20	3.21	3.22	3.23	3.24	3.24
Series 5	3.06	3.06	3.05	3.06	3.07	3.08
Series 6	2.84	2.84	2.83	2.79	2.76*	—
Series 7	2.22	2.38	2.27	2.25	2.41*	—
Series 8	2.53*	—	—	—	—	—
Global Dividend – Desjardins						
Series 5	2.81	2.80	2.80	2.79	2.78	2.90
Series 6	2.89	2.89	2.87	2.83	2.86*	—
Series 7	2.37	2.37	2.34	2.47	2.47*	—
Series 8	2.59*	—	—	—	—	—
Global Equity – MFS**						
Series 3	3.37	3.37	3.36	3.39	3.39	3.47
Series 5	2.90	2.90	2.92	2.92	2.92	2.92
Series 6	2.94	2.94	2.93	2.95	3.00*	—
Series 7	2.43	2.46	2.53	2.53	2.53*	—
Series 8	2.64*	—	—	—	—	—
International Equity – MFS**						
Series 1	3.84	3.83	3.82	3.83	3.85	3.85
Series 3	3.64	3.65	3.65	3.64	3.65	3.65
Series 5	2.75	2.75	2.75	2.76	2.76	2.77
Series 6	3.00	3.02	3.01	3.05	3.03*	—
Series 7	2.50	2.55	2.55	2.59	2.59*	—
Series 8	2.70*	—	—	—	—	—
International Equity Growth – Desjardins						
Series 5	3.11	3.10	3.10	3.11	3.10	3.22
Series 6	2.94	2.94	2.93	2.92	2.94*	—
Series 7	2.44	2.53	2.53	2.53	2.53*	—
Series 8	2.64*	—	—	—	—	—

* Annualized.

** The management expense ratios for these Funds include underlying fund managers' fees, ranging from 0.01 to 0.04%.

6. RELATED PARTY TRANSACTIONS

The Funds pay management fees and operating expenses to the Company, which are presented in the Statement of Comprehensive Income. Those fees are calculated daily using the net asset value of the Fund. The management fees are paid monthly at the annual rate specified in Note 5. Accrued expenses, presented in the Statement of Financial Position, are to be paid to the Company.

Some Funds have investments in underlying funds from related parties.

As at June 30, 2018 and December 31, 2017, the Company had the following seed capital investments:

	June 30, 2018	December 31, 2017
	\$	\$
American Equity Value – Desjardins	926,282	907,614
Global Equity – MFS	31,852	281,999
Canadian Equity – Franklin Bissett	70,612	70,153
Dividend Income – Franklin Bissett	45,764	45,263
Canadian Balanced – Franklin Bissett	24,507	133,833
Small Cap – Franklin Bissett	19,735	19,817

	June 30, 2018	December 31, 2017
	\$	\$
Canadian Asset Allocation – CI Cambridge	244,252	244,823
Canadian Balanced – Fiera Capital	26,289	24,939
Income and Growth – CI Signature	26,073	238,629
Canadian Balanced – CI Signature	25,863	250,499
Balanced – Desjardins SocieTerra	150,467	147,989
Canadian Bond	22,873	21,861
Global Growth – NEI Select	27,645	26,347
Global Dividend – Desjardins	291,105	293,981
International Equity Growth – Desjardins	371,075	335,577
Canadian Balanced – Fidelity	26,260	24,583
U.S. Monthly Income – Fidelity	479,000	466,480
Canadian Equity – Fidelity True North®	26,171	150,651
Balanced Growth – Franklin Quotential	25,485	24,313
Balanced	24,556	216,595
Income – Fiera Capital	23,400	22,345
Growth	25,549	256,071
Conservative	22,762	147,372
Moderate	23,698	180,833
International Equity – MFS	29,136	27,406
Maximum Growth	304,720	295,875
Canadian Equity – Jarislowsky Fraser	26,070	24,810
Global Balanced – Jarislowsky Fraser	24,867	83,066
American Equity – MFS	34,443	31,817
Money Market	85,016	83,529
Canadian Dividend – NEI Northwest	273,717	275,584
Growth and Income – NEI Northwest	28,117	71,406
Specialty Equity – NEI Northwest	301,419	300,697
Growth – Desjardins SocieTerra	572,344	—
Maximum Growth – Desjardins SocieTerra	575,164	—
Conservative – Desjardins SocieTerra	571,784	—
Growth – Franklin Quotential	26,228	24,969
Balanced Income – Franklin Quotential	24,751	23,700
Diversified Income – Franklin Quotential	23,753	22,914

The related parties transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS DISCLOSURES

DFS Preliminary Information

The net assets of the DFS Guaranteed Investment Funds are held by the Company on behalf of all Contract Owners. These Funds are not separate legal entities. The Contract Owners do not own any of the assets of the Funds nor own an interest in the Funds. However, the financial instrument risks resulting from the Funds are assumed by the Contract Owners. The value of the segregated funds may increase or decrease according to market fluctuations.

Moreover, the Funds are offered with a deposit guarantee of 75 to 100% that protects the deposits until specific maturity dates.

For the Funds of funds, details regarding the top holdings of the underlying fund(s) are shown in the appendix of the Schedule of Investment Portfolio.

Hierarchy of Financial Instruments at Fair Value

The fair value measurement of financial instruments is determined using the following three levels of the fair value hierarchy:

- Level 1 – Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques based primarily on observable market data;
- Level 3 – Valuation techniques not based primarily on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

Measurement Monitoring

The Company is responsible for establishing the fair value measurements included in the Funds' financial statements, including Level 3 measurements. The Company obtains prices from a pricing agency, monitors and analyzes these prices daily. A Measurement Monitoring Committee established by the Company ensures that appropriate operating procedures and a proper monitoring structure are in place and followed. Monthly monitoring reports are prepared and sent to each member for approval. The Measurement Monitoring Committee verifies the measurements monthly. On a quarterly basis, this committee examines and approves the Level 3 measurements after obtaining confirmation of the measurements from each portfolio manager, as needed. The committee signs off on any adjustments made to prices or estimates provided by the pricing agency.

Establishment of Levels

A change in the fair value measurement method could result in a transfer between levels. The Funds' policy is to record the implications of transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified Level 3 if their prices are no longer based on observable inputs.

a) Money Market Securities

Money market securities primarily include public sector and corporate securities. The inputs that are significant to valuation are generally observable. Public sector money market securities guaranteed by the federal and provincial government have been classified as Level 1. Other money market securities have been classified as Level 2.

b) Equities

Equities are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2. If the determination of fair value uses significant unobservable data, then the fair value is classified as Level 3. Unlisted warrants are generally classified as Level 2.

c) Index-Based Investments

Index-based investments are classified as Level 1 when the security is actively traded and a reliable price is observable.

d) Bonds

Public sector bonds guaranteed by the federal or provincial government are classified as Level 1. Corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities are usually classified as Level 2.

e) Mortgage-Backed Securities and Asset-Backed Securities

Mortgage-backed securities and asset-backed securities consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, mortgage-backed securities and asset-backed securities are usually classified as Level 2.

f) Investment Funds

Public investment funds are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some investment funds are not public, their price is determined using observable market data and their fair value is classified as Level 2. If the measurement of fair value requires the use of significant unobservable inputs, it is classified as Level 3.

g) Derivative Financial Instruments

Derivative financial instruments consist of foreign currency forward contracts for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined to be significant to fair value, are classified as Level 2.

Detailed information concerning the fair value hierarchy of each Fund is available in their respective "Notes to the Financial Statements – Specific Information". For securities classified as Level 3, the valuation techniques and assumptions are also presented in their respective notes.

Management of Risks Arising from Financial Instruments

During their activities, the Funds are exposed to a variety of risks associated with financial instruments such as market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The overall strategy of the Funds' risk management focuses on the unpredictability of financial markets and optimizes the Funds' financial performance. Most investments involve a risk of loss.

For the purpose of these financial statements, certain risks detailed in the Contract and Information Folder are associated with other risks. The market risk, the special equity risk and the sovereign risk are presented under price risk. The credit risk and the derivative risk are presented under credit risk.

The Company monitors the Funds' risks on a quarterly basis and the DFS Monitoring Committee for Investment Solutions reviews these risks on a quarterly basis.

Market Risk

Market risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of a change in the relevant risk variables, such as interest rates, exchange rates and equity prices. The Funds' market risk is managed through diversification of the investment portfolio's exposure ratios. The return on investments held by the Funds is monitored by the Company monthly and reviewed by the DFS Monitoring Committee for Investment Solutions on a quarterly basis.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed-income and money market securities) and non-monetary items (usually including investments in equities and investment funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Funds are exposed to the currency risk in holding assets and liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate according to the prevailing exchange rates. The Funds may enter into foreign currency forward contracts to reduce their exposure to currency risk.

The Funds' exposure to currency risk is shown based on the carrying value of financial assets and financial liabilities (including the notional amount of foreign currency forward contracts and foreign currency futures, if any).

When the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. Conversely, when the value of the Canadian dollar increases, the value of foreign investments decreases.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk occurs when an investment fund invests in interest-bearing financial instruments. Generally, the value of these securities increases if interest rates decrease, and decreases if interest rates increase. The Company manages this risk by calculating and monitoring the average portfolio duration on these securities. The Funds also hold a limited amount of cash subject to variable interest rates, which expose them to cash flow interest rate risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk.

The Company manages this risk by carefully selecting securities and other financial instruments, in accordance with defined limits. The maximum risk resulting from financial instruments is determined by the fair value or contract value of the financial instruments. The Funds' overall market positions are monitored monthly by the Company and reviewed on a quarterly basis by the DFS Monitoring Committee for Investment Solutions. The Funds' financial instruments are exposed to price risk arising from uncertainties about the future prices of instruments.

Concentration Risk

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to, among other things, their investments in the financial, health care or energy sectors, etc. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Credit Risk

Credit risk is the risk that the financial instrument counterparty will be unable to pay the full amount at maturity. The Funds' credit risk is managed through an independent credit analysis from the Manager/sub-advisor, in addition to credit rating agencies analysis.

Financial Instruments Transactions

The Funds are exposed to credit risk. The Funds' and the counterparty's respective credit risk are considered when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is made once the broker has received payment.

Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

The investment grade for fixed-income securities and money market securities is rated by credit rating agencies, which generally includes the *Dominion Bond Rating Service (DBRS)*, *Standard & Poor's* and *Moody's*. In cases where the credit rating agencies do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

- If two credit ratings are available, but the ratings are different, the lowest rating is used;
- If three credit ratings are available, the most common credit rating is used;
- If all three credit rating agencies have different ratings, the middle credit rating is used.

The credit rating is then converted to *DBRS* format. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

Derivative financial instruments are financial contracts whose value depends on underlying assets, including interest rates and foreign exchange rates. The vast majority of derivative financial instruments is negotiated by mutual agreements between the Funds and their counterparties, and include, foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of standardized futures contracts.

Securities Lending and Repurchase Transactions

Securities lending and repurchase transactions expose the Funds to credit risk. These transactions are governed by Investment Industry Regulatory Organization of Canada participation agreements. The Funds also use netting agreements with counterparties to mitigate credit risk and require a percentage of collateralization (a pledge) on these transactions. The Funds only accept pledges from counterparties that comply with the eligibility criteria defined in their policies. These criteria promote quick realization, if necessary, of collateral in case of default. The collateral received and given by the Funds are mainly cash and government securities. Further information on assets pledged and received as collateral is presented in the "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of units. Most of their assets are therefore invested in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of).

Some Funds may invest in derivative financial instruments, debt securities and unlisted equity investments which are not traded in an active market. As a result, some Funds may not be able to quickly liquidate their investments at amounts approximating their fair values, or be able to respond to specific effects such as deterioration in the creditworthiness of any particular issuer.

Units attributable to Contract Owners are redeemable on demand at the owner's option. However, the Company does not expect that the contractual maturity disclosed will be representative of the actual cash outflows, as Contract Owners of the instruments typically retain them for a longer period.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Management of Risks Associated with Units Attributable to Contract Owners

Units attributed and outstanding are considered as the Funds' capital. The Funds are not subject to specific capital requirements on the premiums and withdrawals, other than certain minimum deposit requirements. Contract Owners are entitled to require payment of the net asset value per unit for all or any of the units they hold by giving an official notice to the Company at any time. Units attributable to Contract Owners are redeemable for cash equal to a pro rata share of the Funds' net asset value.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the "Notes to the Financial Statements - Specific Information" pertaining to each Fund. Details on risks and various documents on underlying funds (detailed description of each Fund's investment policy and, where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s)) are available upon request by writing to the Company at the following address:

1 Complexe Desjardins
P.O. Box 9000
Montréal, Québec
H5B 1H5

Thank you.

Thank you for choosing the strength and stability of a company specialized in providing individual insurance and retirement savings products to over five million Canadians, every day, to ensure their financial security.

Thank you for also 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-

The Contract and Information Folder contains important information on the DFS Guaranteed Investment Funds. Please read it carefully before investing. DFS Guaranteed Investment Funds is a registered trademark 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.

This Document is also available on our website:

desjardinslifeinsurance.com

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.