

Interim Management Report of Fund Performance

June 2020

This Interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements of the Portfolio. You can request a copy of the interim financial statements, at no cost, by calling 514-350-5050 or toll free 1-888-377-7337 or by writing to us at 2 Complexe Desjardins, East Tower, 31st Floor, P. O. Box 1116, Montréal, Québec H5B 1C2, or by visiting our website at www.professionalsf.com or SEDAR's website at www.sedar.com.

You may also contact us using one of these methods to request a copy of the Portfolio's proxy voting policies and procedures, proxy voting disclosure records and quarterly portfolio disclosure.

PERFORMANCE ANALYSIS

Investment Objective and Strategies

The Portfolio seeks to achieve, through investment diversification, a return comprised of steady income and medium- and long-term capital growth. The Portfolio invests primarily in equity securities of Canadian and foreign issuers, and in debt instruments of Canadian and foreign issuers. The Portfolio Manager uses a top-down global approach for managing both the asset allocation and geographic allocation, being mixes of Canadian, American, European, Asian and emerging markets equities. The Portfolio's investments in the various asset types include mostly units issued by other investment funds. These underlying investment funds are selected according to their overall contribution to yield and risk/return profile of the Portfolio. The Portfolio invests mainly in its family of Portfolios, but could also invest in funds of other families of funds. To the extent that investments are made by certain of our Portfolios in underlying funds, the investment principles and strategies used to select the securities of the other funds will follow the same criteria as those used to select individual securities.

Risk

The Portfolio invests primarily in debt securities and equities, both Canadian and foreign. Derivatives may also be used for hedging or to establish market positions. The Portfolio's investment risks are as set forth in the Simplified Prospectus. The risks associated with the Portfolio and its holdings are as follows: stock market risk, credit risk, sector risk, foreign securities risk, specific issuer risk, currency risk, interest rate risk, derivatives risk, securities lending risk, emerging markets risk, exchange-traded funds risk, underlying funds risk, asset-backed and mortgage-backed securities risk, multi-series risk, short selling risk and loss restrictions risk.

Operating Results

The FDP Balanced Portfolio posted a net return of 0.1% for the first six-month period of 2020, versus 15.2% for 2019.

In the context of a global economy weakened by a pandemic, governments and central banks introduced unprecedented fiscal and monetary measures, which relieved markets and economies. The U.S. Federal Reserve pledged to maintain interest rates near zero for an extended period and expanded its quantitative easing program. For its part, the Bank of Canada has announced quantitative easing measures, purchasing government of Canada, provincial and corporate bonds and lowering its bank rate.

Accordingly, the bond market, as measured by the FTSE Canada Universe Bond Index, posted a 7.5% return. The 10-year government of Canada bond yield declined by 117 basis points in 2020, causing the spread between long- and short-term yields to narrow significantly. Credit spreads for both provincial and corporate bonds widened in the first quarter of 2020 before narrowing in the second quarter of 2020 in response to the governments' and central banks' support of markets and economies.

The Canadian stock market, as measured by the S&P/TSX Composite Index, posted a -7.5% return over the first half of 2020. Three of the index's eleven component sectors posted positive returns. Gold prices rising by 17.4% allowed the Materials sector to post a 15.4% return. The Information Technology sector rose by 62.0%, helped by the performance of Shopify. Conversely, falling oil prices, which went from USD61.06 in late December 2019 to USD39.27 as at June 30, 2020, representing a 35.7% decrease, negatively impacted the Energy sector, which posted a -30.4% return. Health Care (-31.0%), Real Estate (-20.0%), Financials (-16.2%) and Communication Services (-11.2%) all contributed negatively to the index's performance.

The U.S. stock market, as measured by the S&P 500 Index, posted a net return of 1.8% in Canadian dollars, in part due to the performance of large cap growth stocks such as Amazon, Apple, Microsoft, Google and Facebook, and to the weakening of the Canadian dollar by 4.8% relative to the U.S. dollar.

All eurozone markets yielded negative returns of -8.4%, while Asian markets also fell by -1.7% in Canadian dollars.

Despite markets generally rebounding from their March 2020 lows and many economies partially reopening, the impact of the pandemic on the global economic recovery remains uncertain.

Recent Developments

There are currently no events to report for 2020.

Related Party Transactions

The Manager of the FDP Balanced Portfolio is Professionals' Financial – Mutual Funds Inc. The Manager is in charge of the portfolio's research, analyses, selections and transactions. The Investment Committee of Professionals' Financial – Mutual Funds Inc. supervises the execution of the mandates entrusted to the internal managers and to other external managers, as the case may be.

Monthly management fees, calculated daily at an annual percentage of the Portfolio's net assets after deducting the value of interfund investments, are paid to the Manager.

FINANCIAL HIGHLIGHTS

The following tables illustrate key financial data concerning the Portfolio. Their purpose is to help you understand its financial results for the past five years and six-month period.

This information comes from the audited annual financial statements and the June 30, 2020 unaudited interim financial statements of the Portfolio. You can obtain the financial statements on the website at www.professionalsf.com.

Portfolio's Distributions and Net Assets per Unit (in dollars)

	Six months ended June 30		Years ended December 31			
	2020	2019	2018	2017	2016	2015
Net assets, beginning of period	17.009	14.945	15.789	15.106	14.529	14.596
Increase (decrease) from operations:						
Total revenue	0.112	0.198	0.195	0.343	0.218	0.589
Total expenses	(0.016)	(0.030)	(0.031)	(0.030)	(0.026)	(0.028)
Realized gains (losses)	0.007	0.332	0.317	0.067	0.580	0.545
Unrealized gains (losses)	(0.102)	1.768	(0.980)	0.489	0.261	(0.433)
Total increase (decrease) from operations ⁽¹⁾	0.001	2.268	(0.499)	0.869	1.033	0.673
Distributions:						
from income	0.091	0.164	0.168	0.120	0.132	0.138
from dividends	–	0.037	0.022	0.071	0.039	0.051
from capital gains	–	–	0.160	–	0.294	0.446
from capital returns	–	–	–	–	–	–
Total distributions ⁽²⁾	0.091	0.201	0.350	0.191	0.465	0.635
Net assets at the end of the period	16.938	17.009	14.945	15.789	15.106	14.529

⁽¹⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase or decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽²⁾ Distributions were reinvested in additional units of the Portfolio.

FDP BALANCED PORTFOLIO, SERIES A (CONTINUED)

Ratios and Supplemental Data

	Six months ended June 30		Years ended December 31			
	2020	2019	2018	2017	2016	2015
Net asset value (in thousands of dollars) ⁽¹⁾	477,002	477,181	420,994	440,345	418,197	416,305
Number of units outstanding (thousands) ⁽¹⁾	28,162	28,055	28,169	27,890	27,685	28,654
Management expense ratio (%) ⁽²⁾	1.301	1.303	1.316	1.285	1.272	1.274
Management expense ratio before waivers and absorptions (%)	1.301	1.303	1.316	1.285	1.272	1.274
Portfolio turnover rate (%) ⁽³⁾	—	10.03	12.58	5.46	10.03	19.65
Trading expense ratio (%) ⁽⁴⁾	0.05	0.06	0.15	0.01	—	0.01
Net asset value per unit	16.938	17.009	14.945	15.789	15.106	14.529

⁽¹⁾ For the years ended December 31, 2015 and before, the information is derived from the audited annual financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the Canada CPA Handbook. As a result, net assets per unit presented in the financial statements differ from the net asset value calculated for the purposes of calculating unit prices and the differences are explained in the notes to the financial statements. For the following fiscal years, the information is derived from audited annual financial statements in accordance with International Financial Reporting Standards (IFRS). In compliance with these Standards, net assets per unit presented in the financial statements generally equal the net asset value calculated to establish unit prices.

⁽²⁾ Management expense ratio includes management fees and operating expenses. It excludes income tax withheld on dividend income and transaction costs, and is expressed as a percentage of the daily average annualized net asset value during the fiscal year.

⁽³⁾ The portfolio turnover rate indicates how actively the portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

⁽⁴⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

MANAGEMENT FEES

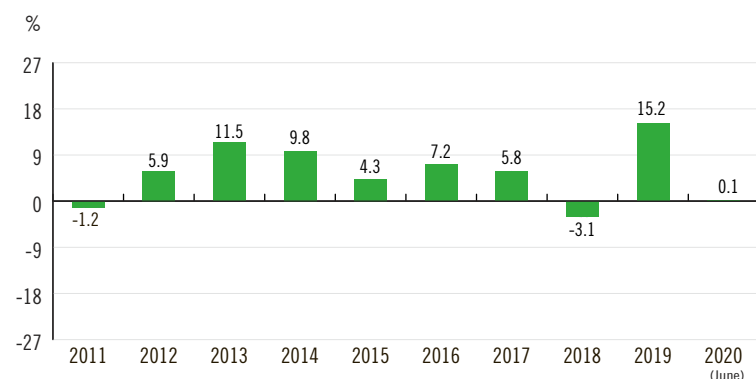
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 0.95% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2020, the Portfolio paid \$399,000 to its Manager.

PAST PERFORMANCE

Information on performance presupposes that the Portfolio's distributions during the periods presented have been totally reinvested in additional units. The returns do not include deductions for sales fees, transfer, redemption or other optional fees (because there are none) or income taxes payable, and would be lower if they included such items. The Portfolio's past performance is not necessarily indicative of future performance.

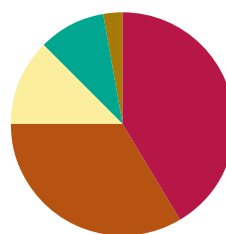
Annual Performance

The following bar graph indicates the Portfolio's annual returns for each year. It shows the year-to-year variation in the Portfolio's return. The graph presents, in percentage form, what would have been the upward or downward variation, on the last day of the period, of an investment made on the first day of that period.



OVERVIEW OF PORTFOLIO

Portfolio Mix



- 41.4% Bonds and Fixed-Income Securities
- 33.7% Canadian Equities
- 12.4% International Equities
- 9.8% American Equities
- 2.7% Cash and Equivalents

Top Portfolio Holdings

	% of net asset value
FDP Canadian Bond Portfolio	36.5
FDP Canadian Equity Portfolio	33.4
SPDR S&P 500 ETF Trust	9.2
FDP Global Equity Portfolio	8.5
FDP Global Fixed Income Portfolio	4.9
iShares Core MSCI EAFE ETF	2.9
Cash and Cash Equivalent	2.7
FDP Emerging Markets Equity Portfolio	1.0
FDP US Index Equity Portfolio	0.5
iShares Core S&P/TSX Capped Composite Index ETF	0.3

This portfolio may change due to continual trading in the Portfolio. An update of this data is available every quarter on our website at www.professionalsf.com.