

Annual Management Report of Fund Performance
December 2020

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can request a copy of the annual 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 fdpgp.ca/en 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 mostly of steady income and also medium-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 both the asset allocation and geographic allocation, being mixes of Canadian, American, European, Asian and emerging markets equities. The Portfolio invests in different types of assets, including Canadian and foreign bonds and 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 Income Portfolio posted a net return of 7.1% for 2020, versus 11.8% 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. Markets rebounded to new highs from the lows reached in March.

In the last few months of 2020, positive news about COVID-19 vaccines, central banks' intention to maintain an accommodating monetary policy for an extended period and the U.S. President-elect's plan to introduce additional stimulus contributed to market performance late in the year.

Accordingly, the bond market, as measured by the FTSE Canada Universe Bond Index, posted an 8.7% return. The 10-year government of Canada bond yield declined by 103 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 following quarters in response to positive news about COVID-19 vaccine development and 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 5.6% return for 2020. Information Technology (84.2%), thanks to the strong performance of e-commerce company Shopify, and Utilities (23.3%), driven by gold stocks, contributed significantly to the index's performance. Conversely, Energy (-26.2%), impeded by falling oil demand, and Health Care (-22.8%) detracted from index performance.

The U.S. stock market, as measured by the S&P 500 Index, posted a net return of 16.3% in Canadian dollars, in part due to the performance of large cap growth stocks such as Amazon, Apple, Microsoft, Alphabet and Facebook. The growth-style approach outperformed its value-style counterpart during the year, with each posting a 33.9% and a 0.5% return, respectively.

All eurozone markets yielded positive returns of 3.5%, while Asian markets also climbed by 17.6% in Canadian dollars.

Despite markets rebounding from their March 2020 lows, the impact of the pandemic on the global economic recovery remains uncertain. Vaccines' efficacy and speed of rollout will significantly impact investors' confidence in financial markets.

Recent Developments

There are currently no events to report for 2021.

Related Party Transactions

The Manager of the FDP Balanced Income 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.

This information comes from the December 31, 2020 audited annual financial statements of the Fund. You can obtain the financial statements on the website at fdpgp.ca/en.

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

	Years ended December 31				
	2020	2019	2018	2017	2016
Net assets, beginning of year	11.915	10.859	11.362	11.040	10.863
Increase (decrease) from operations:					
Total revenue	0.207	0.229	0.206	0.166	0.159
Total expenses	(0.011)	(0.009)	(0.006)	(0.007)	(0.008)
Realized gains (losses)	0.257	0.099	0.197	0.132	0.032
Unrealized gains (losses)	0.378	0.950	(0.565)	0.185	0.139
Total increase (decrease) from operations ⁽¹⁾	0.831	1.269	(0.168)	0.476	0.322
Distributions:					
from income	0.149	0.179	0.178	0.123	0.118
from dividends	0.040	0.034	0.031	0.029	0.028
from capital gains	–	–	0.125	–	–
from capital returns	–	–	–	–	–
Total distributions ⁽²⁾	0.189	0.213	0.334	0.152	0.146
Net assets at the end of the year	12.565	11.915	10.859	11.362	11.040

⁽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 income Portfolio, Series A (continued)

Ratios and Supplemental Data

	Years ended December 31				
	2020	2019	2018	2017	2016
Net asset value (in thousands of dollars) ⁽¹⁾	193,466	186,791	168,290	173,407	176,984
Number of units outstanding (thousands) ⁽¹⁾	15,397	15,677	15,497	15,262	16,031
Management expense ratio (%) ⁽²⁾	1.350	1.372	1.468	1.333	1.269
Management expense ratio before waivers and absorptions (%)	1.350	1.372	1.468	1.333	1.269
Portfolio turnover rate (%) ⁽³⁾	2.72	9.79	14.53	38.46	16.52
Trading expense ratio (%) ⁽⁴⁾	0.02	0.03	0.10	—	—
Net asset value per unit	12.565	11.915	10.859	11.362	11.040

⁽¹⁾ 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 Fund's portfolio turnover rate indicates how actively the Fund's 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 year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. 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 year.

Management Fees

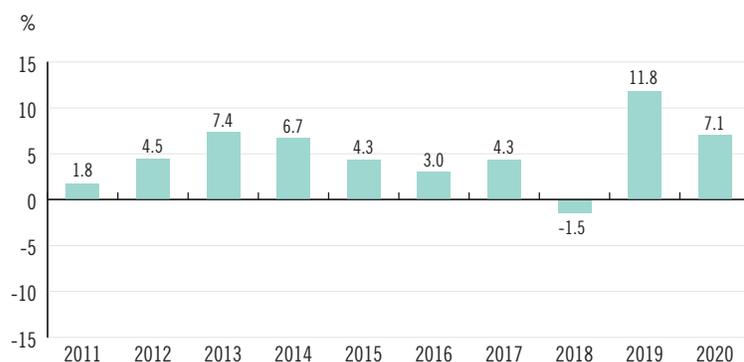
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 0.95% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2020, the Portfolio paid \$88,000 to its Manager.

Past Performance

Information on performance presupposes that the Portfolio's distributions during the years 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 year, of an investment made on the first day of that year.



Annual Compound Returns

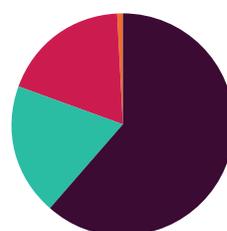
The following graph indicates the Portfolio's annual composite returns and highlights Portfolio performance fluctuations from one fiscal year to the next, ending on December 31, for each year, as well as those of the Portfolio's benchmark.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Balanced Income Portfolio, Series A	7.14	5.66	4.85	4.89
Benchmark	7.65	5.96	6.09	5.80

The benchmark is weighted as follows: 25% in securities from the S&P/TSX Dividend Composite Index, 10% in securities from the MSCI World Index, 64% in securities from the FTSE Short- and Mid-Universe Index, and 1% in securities from the FTSE 91 Day T-Bill Index.

Overview of Portfolio

Portfolio Mix



- 61.6% Bonds and Fixed-Income Securities
- 19.2% International Equities
- 18.6% Canadian Equities
- 0.6% Cash and Cash Equivalents

Top Portfolio Holdings

	% of net asset value
FDP Canadian Bond Portfolio	46.3
FDP Global Equity Portfolio	19.0
FDP Canadian Dividend Equity Portfolio	18.3
FDP Global Fixed Income Portfolio	13.1
Cash and Cash Equivalent	1.9
Province of Ontario, 2.70%, Jun. 02, 2029	1.5

This portfolio may change due to continual trading in the Portfolio. An update of this data is available every quarter on our website at fdpgp.ca/en.