

Annual Management Report of Fund Performance

December 2022

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 steady income and to ensure invested capital preservation. The Portfolio invests primarily in debt instruments of Canadian and foreign issuers. The Portfolio may also invest in equity securities of Canadian and foreign issuers paying dividends or income. The Portfolio Manager uses a top-down global active short-term management approach, including to set the duration of the portfolio. The implementation of dynamic positioning strategies on the yield curve, the choice of classes of issuers and the selection of securities are based on quantitative and qualitative comparisons, and simulations on interest rates, yield differentials, currencies and volatility.

Risk

The Portfolio invests primarily in debt securities, both Canadian and foreign. Derivatives may also be used for hedging purposes or to establish market positions. The risks related to investments in the Portfolio remain as set out in the Simplified Prospectus. The risks associated with the Portfolio and its holdings are as follows: credit risk, sector risk, foreign securities risk, large transactions risk, specific issuer risk, currency risk, interest rate risk, derivatives risk, securities lending risk, exchange-traded funds risk, asset-backed and mortgage-backed securities risk, multi-series risk, short selling risk and loss restrictions risk.

Operating Results

The FDP Canadian Bond Portfolio, Series A posted a net return of -11.9% for 2022, versus -2.7% for 2021.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a -11.7% return. The negative performance of the index was mainly attributable to rising interest rates driven by persistent high inflation. Recession fears also weighed heavily on corporate bonds.

In 2022, the U.S. Federal Reserve and the Bank of Canada significantly hiked their key interest rates in response to inflationary pressures exerted on their respective economies. Central banks' interventions partly achieved their stated goal, but the market is worried that interest rates may remain high for longer than previously anticipated due to the strong labour market.

The 10-year government of Canada bond yield climbed from 1.43% to 3.30% in 2022. While the 10-year yields increased substantially, short-term yields appreciated even more, causing the yield curve to invert. Both provincial and corporate credit spreads widened in 2022 amid slowing economic growth and soaring inflation.

The FDP Canadian Bond Portfolio's shorter duration relative to the benchmark index and yield curve positioning contributed to the outperformance. Moreover, the defensive positioning within corporate bonds also generate positive returns.

Recent Developments

There are currently no events to report for 2023.

Description of the Benchmark Index

The FTSE Canada Universe Bond Index is a benchmark index used to measure the performance of fixed-rate, investment-grade government and corporate bonds.

Related Party Transactions

The Manager of the FDP Canadian Bond 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, 2022 audited annual financial statements of the Portfolio. You can obtain the financial statements on the website at fdpgp.ca/en.

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

Series A (created in 1978)	Years ended December 31				
	2022	2021	2020	2019	2018
Net assets, beginning of year	12.183	12.725	12.092	11.602	11.755
Increase (decrease) from operations:					
Total revenue	0.312	0.320	0.359	0.364	0.353
Total expenses	(0.118)	(0.130)	(0.136)	(0.131)	(0.126)
Realized gains (losses)	(0.934)	(0.073)	0.345	0.361	(0.201)
Unrealized gains (losses)	(0.702)	(0.464)	0.439	0.130	0.040
Total increase (decrease) from operations ⁽¹⁾	(1.442)	(0.347)	1.007	0.724	0.066
Distributions:					
from income	0.193	0.185	0.223	0.236	0.222
from dividends	–	0.006	–	–	0.001
from capital gains	–	0.007	0.157	–	–
from capital returns	–	–	–	–	–
Total distributions ⁽²⁾	0.193	0.198	0.380	0.236	0.223
Net assets at the end of the year	10.550	12.183	12.725	12.092	11.602

⁽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.

FDP Canadian Bond Portfolio, Series A (continued)

Ratios and Supplemental Data

Series A (created in 1978)	Years ended December 31				
	2022	2021	2020	2019	2018
Net asset value (in thousands of dollars) ⁽¹⁾	282,423	330,782	349,410	323,896	307,749
Number of units outstanding (thousands) ⁽¹⁾	26,769	27,150	27,459	26,786	26,526
Management expense ratio (%) ⁽²⁾	1.078	1.067	1.071	1.084	1.093
Management expense ratio before waivers and absorptions (%)	1.078	1.067	1.071	1.084	1.093
Portfolio turnover rate (%) ⁽³⁾	2,377.81	1,996.46	2,416.18	2,235.60	2,150.70
Trading expense ratio (%) ⁽⁴⁾	—	0.01	—	—	—
Net asset value per unit	10.550	12.183	12.725	12.092	11.602

⁽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 Portfolio's portfolio turnover rate indicates how actively the Portfolio's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the year. The higher a Portfolio's portfolio turnover rate in a year, the greater the trading costs payable by the Portfolio 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 Portfolio.

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

Management Fees

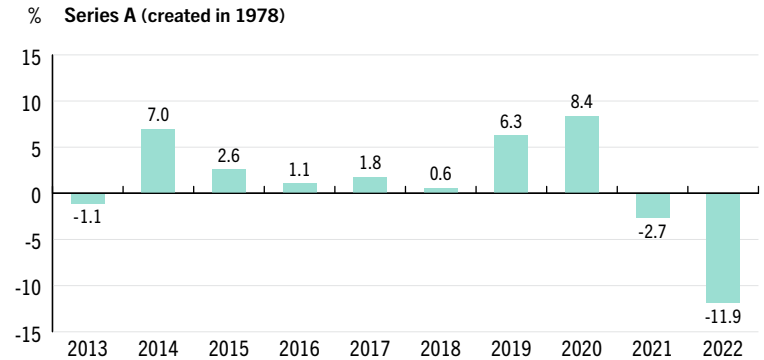
Series A and Series I units pay management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. Series A units' annual management fees of 0.85% and 0.05% for Series I are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2022, Series A units paid \$2,910,000 to the Manager.

Past Performance

Information on performance presupposes that the Portfolio's distributions during the years presented have been totally reinvested in additional units of the same series. The returns do not include deductions for sales, 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 graphs indicate the Portfolio's annual returns for each year. They show the year-to-year variation in the Portfolio's return. The graphs present, 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.



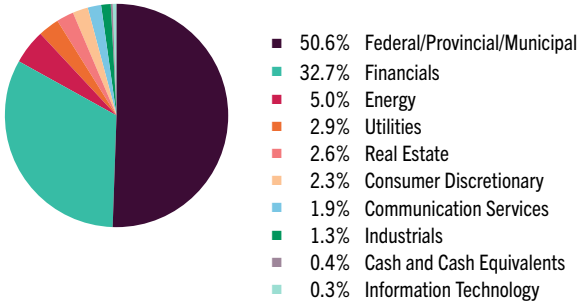
Annual Compound Returns

The following table 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 index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Canadian Bond Portfolio, Series A	-11.86	-2.39	-0.11	1.06
FTSE Index	-11.69	-2.20	0.27	1.71

Overview of Portfolio

Portfolio Mix



Top 25 Portfolio Holdings

	% of net asset value
Government of Canada, 1.50%, Jun. 01, 2031	6.0
Province of Ontario, 2.70%, Jun. 02, 2029	4.5
Bank of Montreal, 2.37%, Feb. 03, 2025	4.5
National Bank of Canada, 1.57%, Aug. 18, 2026	3.6
Province of Ontario, 2.15%, Jun. 02, 2031	3.3
The Toronto-Dominion Bank, 1.94%, Mar. 13, 2025	3.0
Government of Canada, 1.75%, Dec. 01, 2053	2.7
Canadian Imperial Bank of Commerce, 2.25%, Jan. 07, 2027	2.4
Government of Canada, 1.00%, Sep. 01, 2026	2.4
Fédération des caisses Desjardins du Québec, 1.09%, Jan. 21, 2026	2.3
Canadian Imperial Bank of Commerce, 2.75%, Mar. 07, 2025	2.3
Province of Ontario, 3.50%, Jun. 02, 2043	2.2
Province of Québec, 5.00%, Dec. 01, 2038	2.1
HSBC Bank Canada, 4.81%, Dec. 16, 2024	2.1
Province of Québec, 3.50%, Dec. 01, 2045	2.0
Pembina Pipeline Corporation, 3.54%, Feb. 03, 2025	1.9
Province of Québec, 1.90%, Sep. 01, 2030	1.9
Bank of Nova Scotia, 1.95%, Jan. 10, 2025	1.9
Royal Bank of Canada, 5.24%, Nov. 02, 2026	1.8
Royal Bank of Canada, 1.94%, May 01, 2025	1.7
Canada Housing Trust No. 1, 1.25%, Jun. 15, 2026	1.6
Fédération des caisses Desjardins du Québec, 4.41%, May 19, 2027	1.6
Province of Ontario, 4.70%, Jun. 02, 2037	1.6
Province of Ontario, 4.60%, Jun. 02, 2039	1.5
Government of Canada, 2.00%, Jun. 01, 2032	1.4

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.