

## 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, 31<sup>st</sup> Floor, P. O. Box 1116, Montréal, Québec H5B 1C2, or by visiting our website at [fdpgp.ca/en](http://fdpgp.ca/en) or SEDAR's website at [www.sedar.com](http://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 long-term capital growth. It invests in securities included in one or more U.S. stock market index in proportion to their weight in such index, or in investments whose returns track one of these index. A minimum of 60% of the assets of the Portfolio track the performance of the S&P 500 Index. The Portfolio may also invest the assets that do not track the S&P 500 Index in such a way as to track the performance of one or more of the following index, which will be determined according to the specific requirements of the market: S&P 600 (Small Cap); S&P 500 Low Volatility; Dow Jones Select Dividend (high dividends); and S&P 500 Consumer Staples Sector (consumer products), or any other American market index the nature and principal characteristics of which are similar to such index, meaning U.S. market index whose average capitalization or volatility may differ from those of the S&P 500 Index, or that generate a higher dividend yield than the S&P 500 Index, or that may emphasize one of the sectors represented in the S&P 500 Index.

### Risk

The Portfolio invests in securities included in one or several market index of the U.S. market in a proportion that reflects their weighting in such index or by way of investments the performance tracks that of such index. Derivatives may also be used for hedging purposes or to take positions in specific markets. 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: stock market risk, foreign securities risk, currency risk, derivatives risk, securities lending risk, exchange-traded funds risk, sector risk, specific issuer risk, underlying funds risk, interest rate risk, multi-series risk, short selling risk and loss restrictions risk.

### Operating Results

The FDP US Equity Portfolio, Series A posted a net return of -15.0% for 2022, versus 24.5% for 2021.

Rate hikes in the United States and a potential recession had a negative effect on the U.S. market during the year. The U.S. stock market, as measured by the S&P 500 Index, posted a net return of -12.2% in Canadian dollars for 2022. In turn, the Canadian dollar, like many other global currencies, weakened by 6.8% relative to the U.S. dollar, which bolstered returns for Canadian investors.

Value-style securities outperformed their growth-style counterparts during the year, with each posting a -5.3% and -29.4% return, respectively. Only two of the index's eleven component sectors posted positive returns, with Energy (+65.8%) leading the pack, bolstered by oil prices and the war in Ukraine. Utilities also posted positive returns (+1.4%). Conversely, Consumer Discretionary (-37.0%) and Communication Services (-39.9%) were the worst-performing sectors.

The FDP US Equity Portfolio seeks to generate more added value than the S&P 500 through a substantial allocation to benchmark index's component securities and positions in ETFs to add value. In 2022, the portfolio lost 1.86% in value, mostly due to the currency exchange fluctuation hedged portion that didn't benefit from the Canadian dollar depreciating.

Performance for 2022 was affected by inflations, central banks' more aggressive-than-expected interventions, the war in Ukraine, the labour shortage and supply chain issues.

## Recent Developments

There are currently no events to report for 2023.

### Description of the Benchmark Index

The S&P 500 is a stock market index tracking the performance of 500 large companies listed on the stock exchange in the United States. The index is owned and managed by Standard & Poor's, one of the top three credit rating agencies. It covers approximately 80% of the U.S. stock market through its capitalization.

### Related Party Transactions

The Manager of the FDP US Equity 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 Fund. You can obtain the financial statements on the website at [fdpgp.ca/en](http://fdpgp.ca/en).

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

Series A (created in 2000)	Years ended December 31				
	2022	2021	2020	2019	2018
<b>Net assets, beginning of year</b>	<b>22.062</b>	<b>17.715</b>	<b>15.481</b>	<b>12.642</b>	<b>15.410</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.284	0.236	0.414	0.285	0.294
Total expenses	(0.217)	(0.223)	(0.181)	(0.162)	(0.212)
Realized gains (losses)	0.563	0.711	0.125	0.352	5.320
Unrealized gains (losses)	(3.961)	3.611	2.002	2.525	(6.459)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>(3.331)</b>	<b>4.335</b>	<b>2.360</b>	<b>3.000</b>	<b>(1.057)</b>
<b>Distributions:</b>					
from income	0.034	–	0.087	0.078	0.101
from dividends	–	–	–	–	–
from capital gains	–	–	–	0.082	2.599
from capital returns	–	–	–	–	0.044
<b>Total distributions <sup>(2)</sup></b>	<b>0.034</b>	<b>–</b>	<b>0.087</b>	<b>0.160</b>	<b>2.744</b>
<b>Net assets at the end of the year</b>	<b>18.725</b>	<b>22.062</b>	<b>17.715</b>	<b>15.481</b>	<b>12.642</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> Distributions were reinvested in additional units of the Portfolio.

## FDP US Equity Portfolio, Series A (continued)

### Ratios and Supplemental Data

Series A (created in 2000)	Years ended December 31				
	2022	2021	2020	2019	2018
Net asset value (in thousands of dollars) <sup>(1)</sup>	42,609	51,049	40,679	34,935	31,057
Number of units outstanding (thousands) <sup>(1)</sup>	2,275	2,314	2,296	2,257	2,457
Management expense ratio (%) <sup>(2)</sup>	1.228	1.233	1.239	1.199	1.334
Management expense ratio before waivers and absorptions (%)	1.228	1.233	1.239	1.199	1.334
Portfolio turnover rate (%) <sup>(3)</sup>	9.93	33.63	5.37	46.68	150.38
Trading expense ratio (%) <sup>(4)</sup>	0.01	0.01	0.01	0.04	0.11
Net asset value per unit	18.725	22.062	17.715	15.481	12.642

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 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 0.80% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2022, Series A units paid \$409,000 to the Manager.

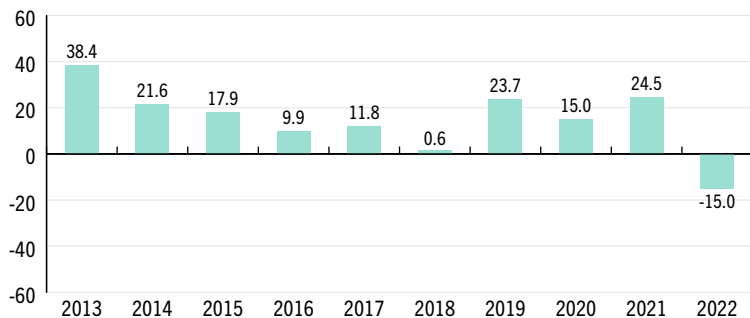
### Past Performance

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 graph indicates the Portfolio's annual returns for each year. It shows 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.

% Series A (created in 2000)



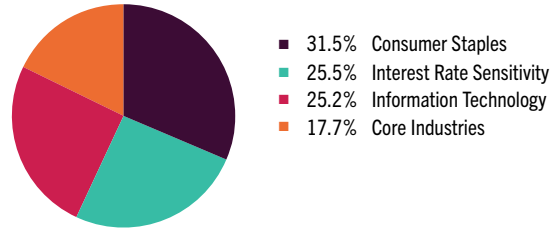
### Annual Compound Returns

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 US Equity Portfolio, Series A	-14.97	6.79	8.67	13.97
S&P 500	-12.16	9.25	11.15	16.10

### Overview of Portfolio

#### Portfolio Mix



#### Top Portfolio Holdings

	% of net asset value
SPDR S&P 500 ETF Trust	61.8
iShares Core S&P 500 Index ETF (CAD-Hedged)	21.8
Invesco S&P 500 Equal Weight ETF	8.8
Invesco QQQ Trust, Series 1	3.1
Invesco S&P 500 Low Volatility ETF	2.2
iShares Core Dividend Growth ETF	0.8
Cash and Cash Equivalents	0.2

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](http://fdpgp.ca/en).