

Interim Management Report of Fund Performance

June 2023

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 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 long-term capital growth and also of steady income. 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 a majority of units issued by other investment funds. These underlying investment funds are selected according to their overall contribution to the 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 mainly in equities and debt securities, 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 Growth Portfolio, Series A posted a net return of 6.9% for the first six-month period of 2023, versus -10.4% for 2022.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 2.5% return for the period. The index's positive performance was mainly attributable to more reasonable interest rate increases (the Bank of Canada hiked its key interest rate by 50 basis points [bps] in the first half of the year) that only had little impact on bonds maturing in more than 5 years, along with narrowing credit spreads and lower speculation on yield spreads, which widened.

Rate hikes had a negative effect on Canadian markets, but the unexpectedly resilient Canadian economy drove investors' optimism. The Canadian stock market, as measured by the S&P/TSX Composite Index, posted a 5.7% return over the period, led by technology companies such as Shopify (+82.1%) and BlackBerry (+66.4%). WTI oil prices fell from USD80.26 in late December 2022 to USD70.64 as at June 30, 2023.

In the United States, the U.S. Federal Reserve continued to hike rates over the first half of 2023, lifting its key interest rate from a 4.25 – 4.50% to a 5.00 – 5.25% range. The U.S. stock market, as measured by the S&P 500 Index, posted a 14.2% return in Canadian dollars for the period. The S&P 500's growth-style stocks, especially in the Information Technology sector, contributed the most to performance during the period.

The global stock market, as measured by the MSCI World Index, posted a 12.4% return in Canadian dollars for the first half of 2023, which offset most of the losses suffered in 2022. All eurozone markets (MSCI Europe) yielded positive returns of 10.9%, while Asian markets (MSCI AC Asia Pacific) gained 3.7% and emerging markets (iShares MSCI Emerging Markets ETF) 2.6% in Canadian dollars.

The Canadian dollar appreciated about 2.2% against the U.S. dollar, which impeded returns for Canadian investors.

On a relative basis, the FDP Balanced Growth Portfolio added 36 bps in value gross of management fees thanks to an overweight to equities and underweight to bonds.

With regard to positioning, the Portfolio remained overweight to equities relative to its peers and is most exposed to the Canadian and U.S. markets.

As was the case in 2022, inflation, the labour shortage, interest rate increases (which were not as steep as the previous year) and concerns over a protracted slowdown of the economy continue to weigh on stock markets worldwide despite some improvements since late 2022.

Recent Developments

There are currently no events to report for 2023.

Description of the Benchmark Index

The benchmark is weighted as follows: 25% in securities from the S&P/TSX Composite Index, 40% in securities from the MSCI World Index, 30% in securities from the FTSE Canada Universe Bond Index, and 5% in securities from the FTSE 91-Day T-Bill Index.

Related Party Transactions

The Manager of the FDP Balanced Growth 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. With regard to the management of the Portfolio, any transaction between related parties must receive the Independent Review Committee's (IRC) positive recommendation or approval beforehand.

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.

FDP Balanced Growth Portfolio, Series A (continued)

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, 2023 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			
Series A (created in 2001)	2023	2022	2021	2020	2019	2018
Net assets, beginning of period	18.460	20.752	18.614	17.062	14.820	15.365
Increase (decrease) from operations:						
Total revenue	0.149	0.284	0.272	0.205	0.243	0.200
Total expenses	(0.063)	(0.127)	(0.127)	(0.098)	(0.092)	(0.076)
Realized gains (losses)	(0.001)	0.082	0.717	0.275	0.198	0.371
Unrealized gains (losses)	1.179	(2.423)	1.376	1.319	2.021	(0.928)
Total increase (decrease) from operations ⁽¹⁾	1.264	(2.184)	2.238	1.701	2.370	(0.433)
Distributions:						
from income	0.089	0.065	0.068	0.058	0.112	0.104
from dividends	—	0.058	0.040	0.036	0.043	0.038
from capital gains	—	—	—	—	—	0.017
from capital returns	—	—	—	—	—	—
Total distributions ⁽²⁾	0.089	0.123	0.108	0.094	0.155	0.159
Net assets at the end of the period	19.639	18.460	20.752	18.614	17.062	14.820

⁽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.

Ratios and Supplemental Data

	Six months ended June 30		Years ended December 31			
Series A (created in 2001)	2023	2022	2021	2020	2019	2018
Net asset value (in thousands of dollars) ⁽¹⁾	274,826	256,731	290,438	222,696	184,422	145,123
Number of units outstanding (thousands) ⁽¹⁾	13,994	13,907	13,996	11,964	10,809	9,792
Management expense ratio (%) ⁽²⁾	1.393	1.396	1.390	1.420	1.408	1.414
Management expense ratio before waivers and absorptions (%)	1.393	1.396	1.390	1.420	1.408	1.414
Portfolio turnover rate (%) ⁽³⁾	—	6.03	11.54	9.20	28.63	42.77
Trading expense ratio (%) ⁽⁴⁾	0.03	0.04	0.06	0.05	0.05	0.13
Net asset value per unit	19.639	18.460	20.752	18.614	17.062	14.820

⁽¹⁾ The information is derived from audited annual financial statements and unaudited interim 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 period. The management expense ratio takes into consideration the management expense ratios of the underlying funds.

⁽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 Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Portfolio's 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 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 during the period. The trading expense ratio takes into consideration the trading expense ratios of the underlying funds.

Management Fees

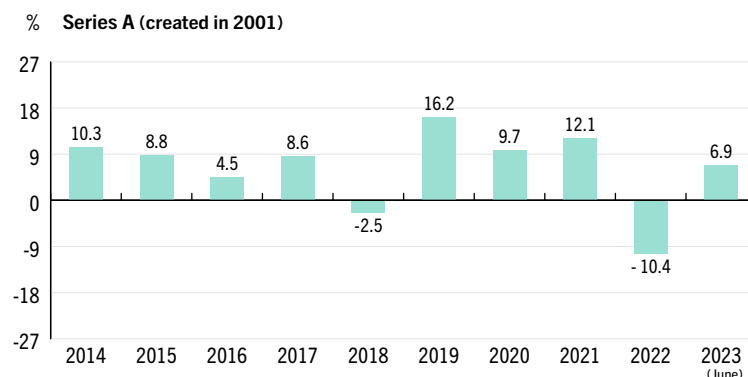
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 1.00% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2023, the Portfolio paid \$818,000 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, 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.

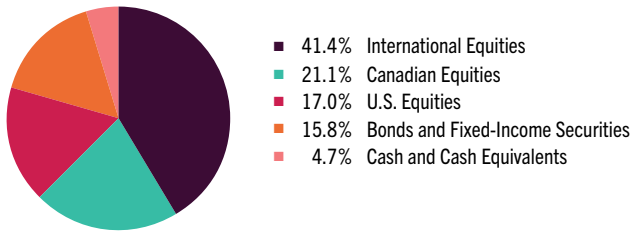
Annual Performance

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



Top Portfolio Holdings

	% of net asset value
FDP Global Equity Portfolio	21.9
FDP Canadian Equity Portfolio	15.2
iShares Core MSCI EAFE ETF	14.2
SPDR S&P 500 ETF Trust	9.9
FDP Canadian Bond Portfolio	7.2
Government of Canada, 2.25%, Jun. 01, 2029	6.1
Cash and Cash Equivalents	4.7
iShares Core MSCI Emerging Markets ETF	4.6
Invesco QQQ Trust, Series 1	4.5
iShares S&P/TSX 60 Index ETF	4.0
Invesco S&P 500 Equal Weight ETF	2.5
FDP Global Fixed Income Portfolio	2.5
iShares Core S&P/TSX Capped Composite Index ETF	1.9
FDP Emerging Markets Equity Portfolio	0.7

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.