

Annual Management Report of Fund Performance

December 2023

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.sedarplus.ca.

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, loss restrictions risk, cybersecurity risk and liquidity risk.

Operating Results

The FDP Balanced Portfolio, Series A posted a net return of 8.7% for 2023, versus -9.8% for 2022.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 6.7% return for the year. The index's positive return is mainly attributable to key interest rates having apparently reached their peak (the Bank of Canada hiked its key interest rate by 75 basis points [bps] in the first half of the year and kept it unchanged thereafter), the prospect of rate cuts in the near future, as well as credit spreads narrowing and bond yields to maturity rising.

Rate hikes weighed heavily 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 an 11.8% return for 2023, led by technology stocks such as Shopify and Constellation Software.

In the United States, the U.S. Federal Reserve (Fed) continued to hike rates throughout the year, lifting its key interest rate from a 4.25 – 4.50% to a 5.25 – 5.50% range. Late in the year, the Fed signalled it might cut rates in the near future, injecting a healthy dose of optimism in the market. The U.S. stock market, as measured by the S&P 500 Index, posted a net return of 22.9% in Canadian dollars in 2023. As was the case in the MSCI World Index, growth-style stocks (especially those in the Magnificent Seven, the seven largest U.S. technology companies) contributed the most to performance during the year.

The global stock market, as measured by the MSCI World Index, posted a 20.5% return in Canadian dollars for 2023, which offset most of the losses suffered in 2022. All eurozone markets (MSCI Europe) yielded positive returns of 17.4%, while Asian markets (MSCI AC Asia Pacific) gained 8.1% and emerging markets (iShares MSCI Emerging Markets ETF) 5.6% in Canadian dollars.

The Canadian dollar appreciated about 2.1% against the U.S. dollar, which impeded returns for Canadian investors.

On a relative basis and gross of management fees, the FDP Balanced Growth Portfolio underperformed its blended index by 32 bps. The portfolio's negative relative performance is essentially due to its Canadian and global equity holdings.

In terms of positioning, the Portfolio remained overweight to equities relative to its peers and maintained an overweight to Canadian securities.

As was the case in 2022, inflation, the labour shortage and interest rate increases (which were not as steep as the previous year) undermined investor sentiment. However, resilient economies, disinflation and other positive developments generally supported stock markets.

Recent Developments

There are no events to report for 2023.

Description of the Benchmark Index

The benchmark is weighted as follows: 35% in securities from the S&P/TSX Composite Index, 15% in securities from the MSCI World Index, 45% in securities from the FTSE Canada Universe Bond Index and 5% in securities from the FTSE Canada 91-Day T-Bill Index.

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. 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.

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, 2023 audited annual financial statements of the Portfolio. You can obtain the financial statements on the website at fdpgp.ca/en.

FDP Balanced Portfolio, Series A (continued)

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

Series A (created in 1978)	Years ended December 31				
	2023	2022	2021	2020	2019
Net assets, beginning of year	17.523	19.737	18.331	17.009	14.945
Increase (decrease) from operations:					
Total revenue	0.261	0.281	0.252	0.227	0.198
Total expenses	(0.008)	(0.025)	(0.038)	(0.034)	(0.030)
Realized gains (losses)	0.926	0.529	1.430	0.215	0.332
Unrealized gains (losses)	0.282	(2.746)	0.418	1.066	1.768
Total increase (decrease) from operations ⁽¹⁾	1.461	(1.961)	2.062	1.474	2.268
Distributions:					
from income	0.182	0.125	0.113	0.136	0.164
from dividends	0.069	0.077	0.052	0.035	0.037
from capital gains	0.533	0.083	0.489	—	—
from capital returns	—	—	—	—	—
Total distributions ⁽²⁾	0.784	0.285	0.654	0.171	0.201
Net assets at the end of the year	18.249	17.523	19.737	18.331	17.009

⁽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

Series A (created in 1978)	Years ended December 31				
	2023	2022	2021	2020	2019
Net asset value (in thousands of dollars) ⁽¹⁾	399,776	449,925	549,872	517,364	477,181
Number of units outstanding (thousands) ⁽¹⁾	21,906	25,676	27,860	28,223	28,055
Management expense ratio (%) ⁽²⁾	1.322	1.319	1.316	1.309	1.303
Management expense ratio before waivers and absorptions (%)	1.322	1.319	1.316	1.309	1.303
Portfolio turnover rate (%) ⁽³⁾	8.11	4.80	12.26	0.35	10.03
Trading expense ratio (%) ⁽⁴⁾	0.07	0.08	0.09	0.05	0.06
Net asset value per unit	18.249	17.523	19.737	18.331	17.009

⁽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 during the year.

Management Fees

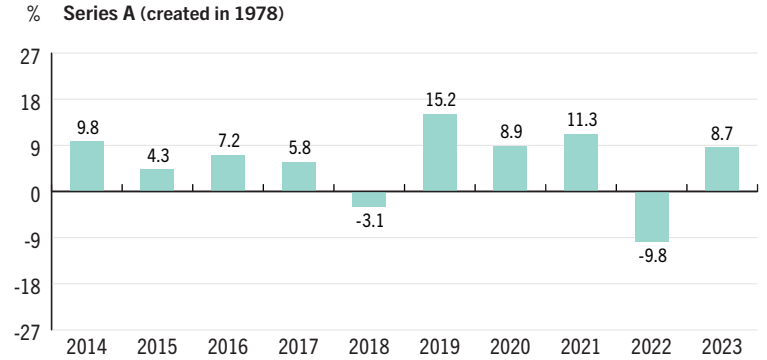
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 0.95% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2023, the Portfolio paid \$97,000 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, 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

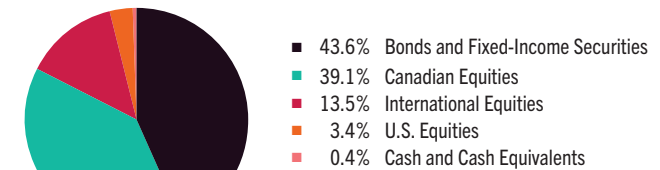
The following table indicates the Portfolio's annual composite returns and highlights Portfolio performance fluctuations from one fiscal year to the next, ending on December 31, for each year, as well as those of the Portfolio's benchmark index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Balanced Portfolio, Series A	8.72	2.97	6.48	5.55
Benchmark index	10.46	3.50	6.59	5.61

The benchmark index is weighted as follows: 35% in securities from the S&P/TSX Composite Index, 15% in securities from the MSCI World Index, 45% in securities from the FTSE Short- and Mid-Term Modified Index, and 5% in securities from the FTSE 91 Day T-Bill Index.

Overview of Portfolio

Portfolio Mix



Top Portfolio Holdings

	% of net asset value
FDP Canadian Equity Portfolio	39.0
FDP Canadian Bond Portfolio	37.4
FDP Global Equity Portfolio	12.3
FDP Global Fixed Income Portfolio	6.2
SPDR S&P 500 ETF Trust	2.5
FDP Emerging Markets Equity Portfolio	1.2
FDP US Equity Portfolio	0.9
Cash and Cash Equivalents	0.4

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.