# FDP Global Fixed Income Portfolio, Series A and I

## Annual Management Report of Fund Performance — December 2024

This annual management report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the Portfolio. 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 a long-term global return through an appropriate stock selection, and by taking advantage of interest rate and currency rate shifts on world markets. The Portfolio invests primarily in debt instruments of foreign issuers, government and corporations that may be denominated in other currencies than the Canadian dollar and have different maturity dates. The issuers of securities may be established worldwide, including Canada and emerging countries. The Portfolio Manager may resort to both a top-down and a bottom-up approach with respect to the management of the portfolio. The top-down approach can be used for the appraisal of the prevailing economic conditions, to assess the financial soundness of sovereign countries, and to anticipate interest rate shifts and their impact on the term of maturity strategy of the portfolio. The bottom-up approach allows for an assessment of the specific securities of issuers, of the ability of the latter to meet their debt repayment obligations and of the balance sheet structure.

### Risk

The Portfolio invests primarily in debt securities issued by governments and issuers that are not denominated in Canadian dollars and have different maturity dates. The Portfolio may also invest in shares from time to time. Derivatives may also be used for hedging purposes or to establish positions on the market. 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, specific issuer risk, credit risk, currency risk, sector risk, interest rate risk, foreign securities risk, derivatives risk, exchange-traded funds risk, securities lending risk, emerging markets risk, underlying funds risk, asset-backed and mortgage-backed securities risk, large transactions risk, multi-series risk, short selling risk, loss restrictions risk, cybersecurity risk and liquidity risk.

### Operating Results

The FDP Global Fixed Income Portfolio, Series A posted a net return of 6.1% for 2024, versus 7.1% for 2023. The FDP Global Fixed Income Portfolio, Series I posted a net return of 7.4% for 2024.

The Portfolio's index generated a 6.2% return for 2024. The portion invested in the global high-yield bond market, as measured by the ICE BofAML Global High Yield Index (currency hedged), was particularly beneficial for the index, posting an 8.4% return for the year. This asset class continues to benefit from a somewhat greater likelihood that inflation will be curbed while the economy will achieve a soft landing. As in 2023, credit spreads for both high-yield bonds and bank loans narrowed since the beginning of the year, causing bonds to increase in value. Yield spreads have reached historically low levels, reflecting investor optimism and renewed interest in fixed-income securities. This asset class now offers more attractive yields to maturity compared to the 2010s, when rates were at their lowest.

With inflation holding near the target range, central banks have started to cut they key interest rates to shift their monetary policy from restrictive to neutral. Investors have welcomed these cuts and remain confident they won't lead to a severe economic downturn, which is helping keep credit spreads tight.

The FDP Global Fixed Income Portfolio is overweight to high-yield corporate bonds, and thus benefited from narrowing credit spreads. However, with spreads at historically low levels, the portfolio manager increased the quality of the Portfolio's corporate bond holdings during the year in order to gradually reduce credit risk.

### Recent Developments

There are no events to report for 2024.

### Description of the Benchmark Index

The benchmark is weighted as follows: 60% Bloomberg Global Aggregate Index (currency hedged), 20% ICE BofAML Global High Yield Index (currency hedged) and 20% ICE BofAML Global High Yield Index (not currency hedged).

The Bloomberg Global Aggregate benchmark is composed of government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging market issuers.

### Related Party Transactions

The Manager of the FDP Global Fixed 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. 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 since inception.

This information comes from the 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)

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| Series A (created in 2013) | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Net assets, beginning of year** | **8.332** | **8.104** | **9.326** | **9.384** | **9.332** |
| **Increase (decrease) from operations:** | | | | | |
| Total revenue | 0.340 | 0.337 | 0.100 | 0.603 | 0.372 |
| Total expenses | (0.135) | (0.132) | (0.134) | (0.148) | (0.146) |
| Realized gains (losses) | (0.027) | (0.240) | (0.060) | 0.049 | 0.110 |
| Unrealized gains (losses) | 0.325 | 0.601 | (0.829) | (0.275) | 0.020 |
| **Total increase (decrease) from operations** [1] | **0.503** | **0.566** | **(0.923)** | **0.229** | **0.356** |
| **Distributions:** | | | | | |
| from income | 0.278 | 0.336 | 0.312 | 0.280 | 0.291 |
| from dividends | – | – | 0.001 | – | – |
| from capital gains | – | – | – | – | – |
| from capital returns | 0.089 | – | – | – | – |
| **Total distributions** [2] | **0.367** | **0.336** | **0.313** | **0.280** | **0.291** |
| **Net assets at the end of the year** | **8.459** | **8.332** | **8.104** | **9.326** | **9.384** |

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| Series I (created in 2014) | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Net assets, beginning of year** | **8.902** | **8.637** | **9.952** | **10.017** | **9.951** |
| **Increase (decrease) from operations:** | | | | | |
| Total revenue | 0.378 | 0.356 | 0.102 | 0.712 | 0.389 |
| Total expenses | (0.032) | (0.034) | (0.034) | (0.040) | (0.039) |
| Realized gains (losses) | (0.014) | (0.258) | (0.064) | 0.027 | 0.117 |
| Unrealized gains (losses) | 0.349 | 0.683 | (0.845) | (0.354) | 0.015 |
| **Total increase (decrease) from operations** [1] | **0.681** | **0.747** | **(0.841)** | **0.345** | **0.482** |
| **Distributions:** | | | | | |
| from income | 0.445 | 0.444 | 0.453 | 0.421 | 0.417 |
| from dividends | – | – | 0.001 | – | – |
| from capital gains | – | – | – | – | – |
| from capital returns | 0.043 | – | – | – | – |
| **Total distributions** [2] | **0.488** | **0.444** | **0.454** | **0.421** | **0.417** |
| **Net assets at the end of the year** | **9.055** | **8.902** | **8.637** | **9.952** | **10.017** |

(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

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| Series A (created in 2013) | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Net asset value (in thousands of dollars)** [1] | 50,117 | 51,345 | 48,530 | 57,731 | 61,222 |
| **Number of units outstanding (thousands)** [1] | 5,924 | 6,163 | 5,988 | 6,190 | 6,524 |
| **Management expense ratio (%)** [2] | 1.647 | 1.624 | 1.611 | 1.596 | 1.626 |
| **Management expense ratio before waivers and absorptions (%)** | 1.647 | 1.624 | 1.611 | 1.596 | 1.626 |
| **Portfolio turnover rate (%)** [3] | 66.50 | 50.57 | 40.20 | 118.84 | 74.35 |
| **Trading expense ratio (%)** [4] | 0.04 | 0.03 | – | 0.02 | 0.02 |
| **Net asset value per unit** | 8.459 | 8.332 | 8.104 | 9.326 | 9.384 |

| | Years ended December 31 | | | | |
|---|---|---|---|---|---|
| Series I (created in 2014) | 2024 | 2023 | 2022 | 2021 | 2020 |
| **Net asset value (in thousands of dollars)** [1] | 218,336 | 123,829 | 103,439 | 112,907 | 155,246 |
| **Number of units outstanding (thousands)** [1] | 24,112 | 13,911 | 11,976 | 11,345 | 15,498 |
| **Management expense ratio (%)** [2] | 0.382 | 0.402 | 0.398 | 0.407 | 0.412 |
| **Management expense ratio before waivers and absorptions (%)** | 0.382 | 0.402 | 0.398 | 0.407 | 0.412 |
| **Portfolio turnover rate (%)** [3] | 66.50 | 50.57 | 40.20 | 118.84 | 74.35 |
| **Trading expense ratio (%)** [4] | 0.04 | 0.03 | – | 0.02 | 0.02 |
| **Net asset value per unit** | 9.055 | 8.902 | 8.637 | 9.952 | 10.017 |

(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 fiscal year. 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 Portfolio 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 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

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 1.25% and 0.20% for Series I are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2024, Series A units paid $739,000 and $429,000 for Series I to the Manager.

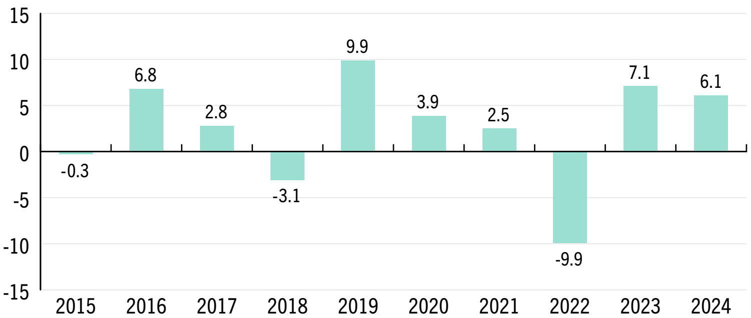
## Past Performance

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.

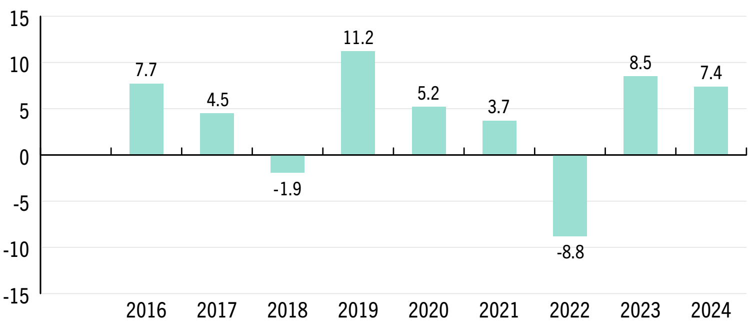
## Annual Performance

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.

% **Series A** (created in 2013)




% **Series I** (created in 2014)




## 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.

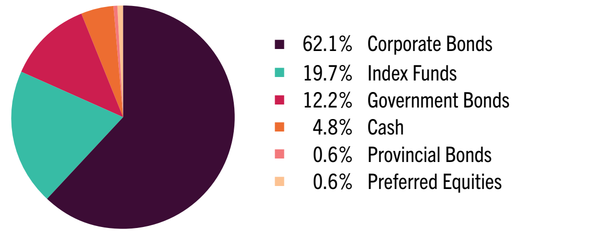
| | 1 yr % | 3 yrs % | 5 yrs % | 10 yrs % | From its creation if <10 years % |
|---|---|---|---|---|---|
| **FDP Global Fixed Income Portfolio, Series A** | 6.09 | 0.81 | 1.75 | 2.43 | – |
| **FDP Global Fixed Income Portfolio, Series I** | 7.43 | 2.06 | 3.00 | – | 3.68 |
| **Benchmark index, Series A** | 6.22 | 1.32 | 2.15 | 3.56 | – |
| **Benchmark index, Series I** | 6.22 | 1.32 | 2.15 | – | 3.42 |

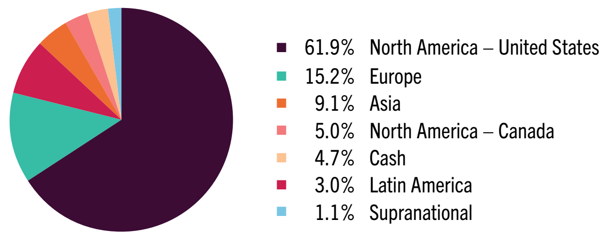
The benchmark is weighted as follows: 60% Bloomberg Global Aggregate Index (currency hedged), 20% ICE BofAML Global High Yield Index (currency hedged) and 20% ICE BofAML Global High Yield Index (not currency hedged).

The Bloomberg Global Aggregate benchmark is composed of government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging market issuers.

## Overview of Portfolio

### Portfolio Mix




### Top 25 Portfolio Holdings

| | % of net asset value |
|---|---|
| iShares 7-10 Year Treasury Bond ETF | 6.4 |
| iShares 0-5 Year Investment Grade Corporate Bond ETF | 5.9 |
| iShares iBoxx $ Investment Grade Corporate Bond ETF | 5.0 |
| Cash | 4.8 |
| iShares 3-7 Year Treasury Bond ETF | 2.6 |
| United States Treasury Note, 2.75%, Aug. 15, 2032 | 0.8 |
| Federative Republic of Brazil, 10.00%, Jan. 01, 2027 | 0.5 |
| United States Treasury Note, 3.50%, Feb. 15, 2033 | 0.5 |
| ABRA Global Finance, 14.00%, Oct. 22, 2029 | 0.5 |
| Government of New Zealand, 3.50%, Apr. 14, 2033 | 0.4 |
| Energean PLC, 6.50%, Apr. 30, 2027 | 0.4 |
| Avianca Midco 2 PLC, 9.00%, Dec. 01, 2028 | 0.4 |
| U.S. Acute Care Solutions, LLC, 9.75%, May 15, 2029 | 0.4 |
| Fannie Mae Pool, 5.50%, Oct. 01, 2054 | 0.4 |
| Republic of Korea, 2.38%, Mar. 10, 2027 | 0.4 |
| Government of Japan, 0.01%, Dec. 01, 2025 | 0.4 |
| Ford Motor Company, 3.25%, Feb. 12, 2032 | 0.4 |
| United States Treasury Bond, 3.00%, Feb. 15, 2049 | 0.4 |
| Republic of Indonesia, 6.38%, Apr. 15, 2032 | 0.3 |
| HCA Inc., 3.50%, Sep. 01, 2030 | 0.3 |
| Grupo Posadas SAB de CV, 7.00%, Dec. 30, 2027 | 0.3 |
| Freddie Mac Pool, 4.50%, May 01, 2053 | 0.3 |
| NextEra Energy, Inc. 7.299%, Preferred | 0.3 |
| Limak Cimento Sanayi ve Ticaret AS, 9.75%, Jul. 25, 2029 | 0.3 |
| CCO Holdings, LLC / CCO Holdings Capital Corp., 4.75%, Feb. 01, 2032 | 0.3 |

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.