

## Annual Management Report of Fund Performance

December 2025

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, 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.sedarplus.ca](http://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 13.4% for 2025, versus 13.6% for 2024. The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 2.64% return for the year.

In 2025, the financial markets navigated a landscape shaped by easing monetary policies, ongoing geopolitical tensions and the growth of technologies linked to artificial intelligence (AI). The Bank of Canada continued the easing cycle initiated in 2024 to support a slowing Canadian economy. The key interest rate, which stood at 3.25% at the end of 2024, was gradually lowered to 2.25% by December 2025. The rate cuts were made possible by moderating inflation and a resilient but slowing labour market.

The Canadian stock market delivered an outstanding performance in 2025. Gains were led by the Materials and Financials sectors, which benefited from sharply rising gold prices, stronger demand for critical metals and more accommodative monetary policy. The S&P/TSX Composite Index rose about 32% over the year, significantly outperforming U.S. markets. Companies in the Materials sector posted impressive gains, buoyed by the rise in gold, seen as the ultimate safe haven asset amid global uncertainty.

The U.S. Federal Reserve took a cautious approach in the first half of the year, holding its key rate between 4.25% and 4.50%. It then began to ease its policy stance, gradually implementing three 25 basis point cuts to offset a softening labour market and the impact of trade tensions. The American stock market had a year of extremes: early turbulence marked by the imposition of "reciprocal" tariffs by the U.S. administration, followed by a strong rebound driven by gradual improvements in the trade climate and enthusiasm for AI. The S&P 500 delivered solid gains in Canadian dollars, although large-cap tech stocks (particularly the "Magnificent Seven") contributed less than in past years.

Global stock markets outperformed their North American counterparts. The MSCI World Index was up around 15% in Canadian dollars, while the MSCI EAFE Index posted solid gains of 25%. Asian markets, particularly those with a strong tech focus, benefited from the surge in global demand for semiconductors and AI-related technologies. European markets outperformed, supported by government defence spending and improved economic prospects.

2025 also saw the U.S. dollar weaken significantly against several major currencies. It fell about 4.9% against the Canadian dollar amid ongoing concerns over the U.S. budget, slowing growth and prolonged trade tensions. The appreciation of the loonie against the U.S. dollar adversely affected returns for Canadian investors holding U.S. dollar-denominated assets.

In terms of positioning, the Portfolio maintained an overweight to equities and Canadian market securities. On a relative basis and gross of management fees, the FDP Balanced Portfolio modestly outperformed its blended index in 2025. The overexposure to equities contributed to the Portfolio's superior performance despite weaker returns on Canadian and global equity holdings.

### Recent Developments

There are no events to report for 2025.

### 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.

## FDP Balanced 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.

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

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

Series A (created in 1978)	Years ended December 31				
	2025	2024	2023	2022	2021
Net assets, beginning of year	20.459	18.249	17.523	19.737	18.331
Increase (decrease) from operations:					
Total revenue	0.338	0.330	0.261	0.281	0.252
Total expenses	(0.007)	(0.007)	(0.008)	(0.025)	(0.038)
Realized gains (losses)	1.399	0.508	0.926	0.529	1.430
Unrealized gains (losses)	0.959	1.633	0.282	(2.746)	0.418
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	<b>2.689</b>	<b>2.464</b>	<b>1.461</b>	<b>(1.961)</b>	<b>2.062</b>
Distributions:					
from income	0.249	0.229	0.182	0.125	0.113
from dividends	0.060	0.048	0.069	0.077	0.052
from capital gains	0.197	–	0.533	0.083	0.489
from capital returns	–	–	–	–	–
<b>Total distributions<sup>(2)</sup></b>	<b>0.506</b>	<b>0.277</b>	<b>0.784</b>	<b>0.285</b>	<b>0.654</b>
<b>Net assets at the end of the year</b>	<b>22.657</b>	<b>20.459</b>	<b>18.249</b>	<b>17.523</b>	<b>19.737</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.

#### Ratios and Supplemental Data

Series A (created in 1978)	Years ended December 31				
	2025	2024	2023	2022	2021
Net asset value (in thousands of dollars) <sup>(1)</sup>	421,645	393,344	399,776	449,925	549,872
Number of units outstanding (thousands) <sup>(1)</sup>	18,610	19,226	21,906	25,676	27,860
Management expense ratio (%) <sup>(2)</sup>	1.352	1.342	1.322	1.319	1.316
Management expense ratio before waivers and absorptions (%)	1.352	1.342	1.322	1.319	1.316
Portfolio turnover rate (%) <sup>(3)</sup>	7.20	3.38	8.11	4.80	12.26
Trading expense ratio (%) <sup>(4)</sup>	0.06	0.11	0.07	0.08	0.09
Net asset value per unit	22.657	20.459	18.249	17.523	19.737

<sup>(1)</sup> 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.

<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. The management expense ratio takes into consideration the management expense ratios of the underlying funds.

<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 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.

<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 during the year.

### Management Fees

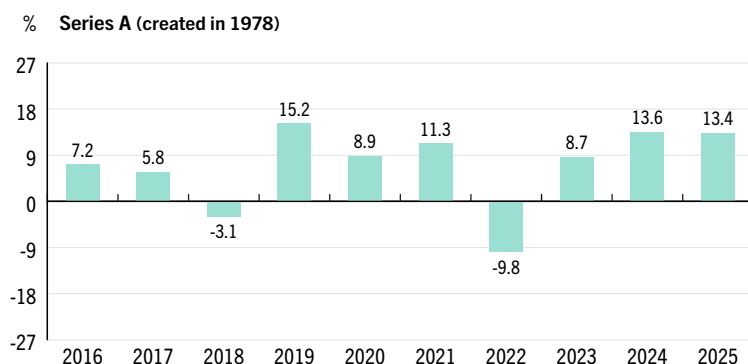
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 0.95% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2025, the Portfolio paid \$33,000 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

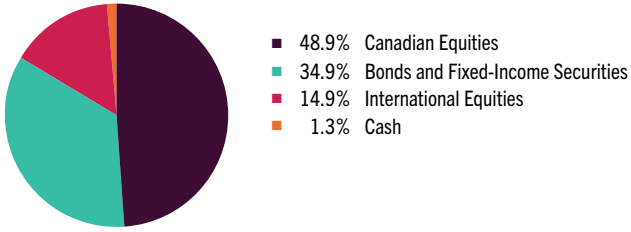
The following table indicates the Portfolio's annual composite returns and highlights Portfolio performance fluctuations from one fiscal year to the next, ending on December 31, for each year, as well as those of the Portfolio's benchmark index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Balanced Portfolio, Series A	13.40	11.88	7.06	6.84
Benchmark index	14.16	12.80	7.58	7.26

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.

Overview of Portfolio

Portfolio Mix



Top Portfolio Holdings

	% of net asset value
FDP Canadian Equity Portfolio	47.7
FDP Canadian Bond Portfolio	30.2
FDP Global Equity Portfolio	14.1
FDP Global Fixed Income Portfolio	4.7
Cash	1.3
Manulife Canadian Property Portfolio Fund	1.2
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](http://fdpgp.ca/en).