

**Interim Management Report of Fund Performance**

**June 2018**

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, 31<sup>st</sup> Floor, P. O. Box 1116, Montréal, Québec H5B 1C2, or by visiting our website at [www.professionalsf.com](http://www.professionalsf.com) 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 through investment diversification. The Portfolio invests primarily in equity securities of issuers listed on a stock exchange and located in emerging countries or having commercial interests in such countries. The Portfolio Manager seeks to replicate the performance and characteristics of the markets of emerging countries, as faithfully as possible, based on a sampling of representative securities.

**Risk**

The Portfolio invests primarily in equities of issuers from emerging markets, where the economic and financial environment may be more volatile than in Western countries, which have traditionally offered a greater diversification and market stability. Derivatives may also be used for hedging purposes 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 the securities that compose it are as follows: stock market risk, sector risk, specific issuer risk, foreign securities risk, credit risk, currency risk, large transactions risk, derivatives risk, emerging markets risk, securities lending risk, exchange-traded funds risk, interest rate risk, multi-series risk, short selling risk and loss restrictions risk.

**Operating Results**

The FDP Emerging Markets Equity Portfolio, Series A posted a net return of -4.2% for the first six-month period of 2018, versus 14.5% for 2017. The FDP Emerging Markets Equity Portfolio, Series I posted a net return of -3.6% for the first six-month period of 2018, versus its benchmark, which posted -2.0% in Canadian dollars.

Despite the global economy's sustained growth, markets across emerging countries struggled over the six-month period due to the resurgence of volatility, after posting excellent returns in 2017. Trade war threats, the distinct political climate in certain emerging countries, as well as tightening monetary policies in the U.S. and the U.K., among other nations, had more severe repercussions on emerging markets than their developed counterparts.

Yield gaps among the emerging markets index's component countries reflect the disparity between current economic and political conditions. On the one hand, Russia (+8.1%), Peru (+12.1%) and the Czech Republic (+8.2%), among other countries, posted positive returns. Oil prices, which increased from USD60.42 in late December 2017 to USD74.15 as at June 30, 2018, representing a 22.7% increase, greatly contributed to the Russian index, 47% of which is comprised of the Energy sector. On the other hand, returns in Brazil (-13.1%) and Turkey (-25.7%) were impeded by their unfavourable political backdrop.

**Recent Developments**

There are currently no events to report for 2018.

**Related Party Transactions**

The Manager of the FDP Emerging Markets 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 audited annual financial statements and the June 30, 2018 unaudited interim financial statements of the Portfolio. You can obtain the financial statements on the website at [www.professionalsf.com](http://www.professionalsf.com).

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

Series A	Six months ended June 30		Years ended December 31			
	2018	2017	2016	2015	2014	2013
<b>Net assets, beginning of period</b>	<b>16.020</b>	<b>13.154</b>	<b>12.642</b>	<b>13.247</b>	<b>12.357</b>	<b>12.314</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.147	0.437	0.353	0.398	0.329	0.290
Total expenses	(0.135)	(0.287)	(0.247)	(0.258)	(0.245)	(0.209)
Realized gains (losses)	0.001	0.040	(0.280)	(0.075)	0.298	0.140
Unrealized gains (losses)	(0.753)	2.832	0.842	(0.062)	0.578	(0.251)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>(0.740)</b>	<b>3.022</b>	<b>0.668</b>	<b>0.003</b>	<b>0.960</b>	<b>(0.030)</b>
<b>Distributions:</b>						
from income	–	0.176	0.173	0.053	0.099	0.091
from dividends	–	–	–	–	–	–
from capital gains	–	–	–	–	–	–
from capital returns	–	–	–	0.006	–	–
<b>Total distributions <sup>(2)</sup></b>	<b>–</b>	<b>0.176</b>	<b>0.173</b>	<b>0.059</b>	<b>0.099</b>	<b>0.091</b>
<b>Net assets at the end of the period</b>	<b>15.340</b>	<b>16.020</b>	<b>13.154</b>	<b>12.642</b>	<b>13.247</b>	<b>12.357</b>

Series I	Six months ended June 30		Years ended December 31			
	2018	2017	2016	2015	2014	2013
<b>Net assets, beginning of period</b>	<b>11.878</b>	<b>9.675</b>	<b>9.261</b>	<b>10.000</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.111	0.456	0.260	0.306	n.a.	n.a.
Total expenses	(0.016)	(0.033)	(0.044)	(0.041)	n.a.	n.a.
Realized gains (losses)	0.001	0.015	(0.202)	(0.086)	n.a.	n.a.
Unrealized gains (losses)	(0.596)	1.586	0.664	(0.886)	n.a.	n.a.
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>(0.500)</b>	<b>2.024</b>	<b>0.678</b>	<b>(0.707)</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Distributions:</b>						
from income	0.119	0.216	0.230	0.171	n.a.	n.a.
from dividends	–	–	–	–	n.a.	n.a.
from capital gains	–	–	–	–	n.a.	n.a.
from capital returns	–	–	–	0.019	n.a.	n.a.
<b>Total distributions <sup>(2)</sup></b>	<b>0.119</b>	<b>0.216</b>	<b>0.230</b>	<b>0.190</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Net assets at the end of the period</b>	<b>11.337</b>	<b>11.878</b>	<b>9.675</b>	<b>9.261</b>	<b>n.a.</b>	<b>n.a.</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 Fund.

# FDP EMERGING MARKETS EQUITY PORTFOLIO, SERIES A AND I (CONTINUED)

## Ratios and Supplemental Data

Series A	Six months ended June 30		Years ended December 31			
	2018	2017	2016	2015	2014	2013
<b>Net asset value (in thousands of dollars)<sup>(1)</sup></b>	12,635	12,501	10,030	10,072	21,739	23,988
<b>Number of units outstanding (thousands)<sup>(1)</sup></b>	824	780	763	797	1,641	1,941
<b>Management expense ratio (%)<sup>(2)</sup></b>	1.662	1.893	1.928	1.871	1.877	1.719
<b>Management expense ratio before waivers and absorptions (%)</b>	1.662	1.893	1.928	1.871	1.877	1.719
<b>Portfolio turnover rate (%)<sup>(3)</sup></b>	109.93	3.14	1.96	6.36	27.10	53.62
<b>Trading expense ratio (%)<sup>(4)</sup></b>	0.25	0.10	0.01	0.01	0.03	0.09
<b>Net asset value per unit</b>	15.340	16.020	13.154	12.642	13.247	12.357

Series I	Six months ended June 30		Years ended December 31			
	2018	2017	2016	2015	2014	2013
<b>Net asset value (in thousands of dollars)<sup>(1)</sup></b>	80,114	72,117	13,553	10,621	n.a.	n.a.
<b>Number of units outstanding (thousands)<sup>(1)</sup></b>	7,067	6,072	1,401	1,147	n.a.	n.a.
<b>Management expense ratio (%)<sup>(2)</sup></b>	0.271	0.294	0.468	0.426	n.a.	n.a.
<b>Management expense ratio before waivers and absorptions (%)</b>	0.271	0.294	0.468	0.426	n.a.	n.a.
<b>Portfolio turnover rate (%)<sup>(3)</sup></b>	109.93	3.14	1.96	6.36	n.a.	n.a.
<b>Trading expense ratio (%)<sup>(4)</sup></b>	0.25	0.10	0.01	0.01	n.a.	n.a.
<b>Net asset value per unit</b>	11.337	11.878	9.675	9.261	n.a.	n.a.

<sup>(1)</sup> For the years ended December 31, 2015 and before, the information is derived from the audited annual financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the Canada CPA Handbook. As a result, net assets per unit presented in the financial statements differ from the net asset value calculated for the purposes of calculating unit prices and the differences are explained in the notes to the financial statements. For the following fiscal years, 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 turnover rate indicates how actively the 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 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 Fund.

<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 period.

## 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 0.10% for Series I 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 2018, Series A units paid \$95,000 and \$46,000 for Series I to the Manager.

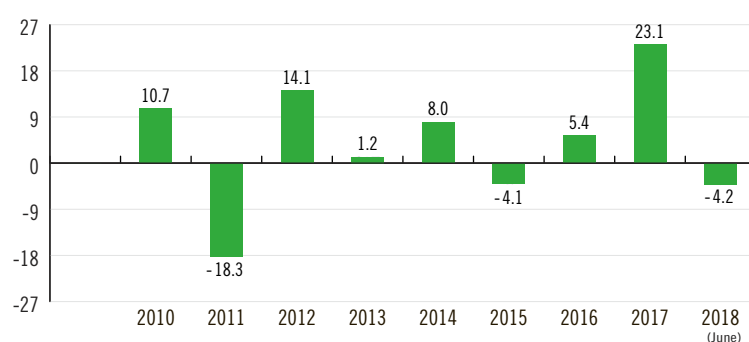
## PAST PERFORMANCE

Information on performance presupposes that the Portfolio's distributions during the periods presented have been totally reinvested in additional units of the same series. The returns do not include deductions for acquisition, 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.

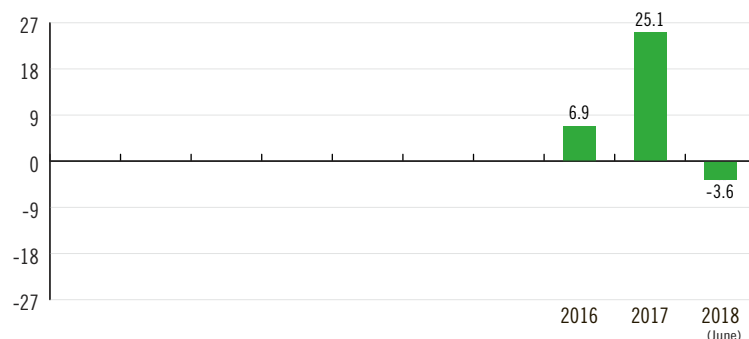
### Annual Performance

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 period, of an investment made on the first day of that year.

% Series A



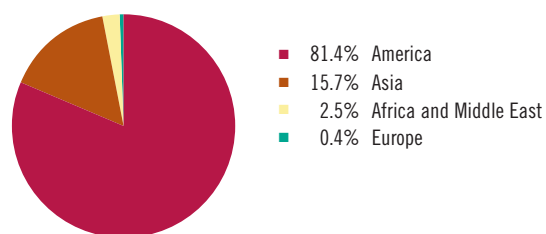
% Series I



# FDP EMERGING MARKETS EQUITY PORTFOLIO, SERIES A AND I (CONTINUED)

## OVERVIEW OF PORTFOLIO

### Portfolio Mix



### Top 25 Portfolio Holdings

	% of net asset value
iShares Core MSCI Emerging Markets ETF JDR	53.5
Vanguard FTSE Emerging Markets ETF	8.3
iShares China Large-Cap ETF	4.0
Cash and Equivalents	3.9
iShares MSCI BRIC ETF	1.8
iShares MSCI Brazil ETF	1.8
Samsung Electronics Co., Ltd. GDR	1.6
Taiwan Semiconductor Manufacturing Company, Ltd. ADR	1.3
Alibaba Group Holding Limited ADR	1.2
Naspers Limited Sponsored ADR	0.9
iShares MSCI South Korea Capped ETF	0.7
Ping An Insurance (Group) Company of China, Ltd. ADR	0.6
China Mobile Limited ADR	0.5
Baidu, Inc. ADR	0.5
PT Telekomunikasi Indonesia Tbk ADR	0.4
Malayan Banking Berhad ADR	0.4
Hon Hai Precision Industry Co., Ltd. GDR	0.4
CNOOC Limited ADR	0.4
SK Hynix Inc. GDS	0.4
Infosys Limited ADR	0.4
China Life Insurance Company Limited ADR	0.4
KB Financial Group, Inc. ADR	0.3
POSCO ADR	0.3
China Petroleum & Chemical Corporation ADR	0.3
Itau Unibanco Holding SA ADR	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 [www.professionalsf.com](http://www.professionalsf.com).