

**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 provide directly or indirectly, through investment diversification, income and achieve medium- and long-term capital growth. The Portfolio invests primarily in equity securities, including units of income trusts of issuers listed on U.S. stock exchanges. The Portfolio Manager seeks to generate added value primarily by selecting income-producing securities that provide the best investment opportunities. A bottom-up approach is used to select corporate stocks offering the best opportunities and a top-down approach to control risks in respect of positions in different sectors. Securities selection in each sector and their respective weighting in the portfolio are based on the most promising corporations identified and deemed to be the most attractive in terms of earnings and dividend growth, financial solvency and other key criteria.

**Risk**

The Portfolio invests primarily in equities of American issuers. 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 security risk, derivatives risk, exchange-traded funds risk, securities lending risk, underlying funds risk, large transactions risk, multi-series risk, short selling risk and loss restrictions risk.

**Operating Results**

The FDP US Dividend Equity Portfolio, Series A posted a net return of 4.5% for the first six-month period of 2018, versus 4.2% for 2017.

The U.S. stock market, as measured by the S&P 500 Index, posted a net return of 7.8% in Canadian dollars. The U.S. stock market, as measured by the S&P 500 Index, has been on an upswing since the beginning of the year, posting a 7.8% return in Canadian dollars over the first half of 2018. Stocks within the IT sector, particularly those linked to consumer goods, greatly contributed to the S&P 500's performance. The U.S. also put its protectionist stance into action by postponing further NAFTA renegotiations until November 2018 and imposing policies that exacerbate trade tensions with the rest of the world, inflating them to historic levels.

This instability also has repercussions on oil prices, which rose by 22.6% since the beginning of the year. Despite market uncertainty, job creation was stronger than expected, with salary growth slightly less so, which bodes well for the United States' overall economic growth.

The backlash in the wake of the U.S. Federal Reserve's continued tightening of its monetary policies, as well as sustained geopolitical concerns, will remain key issues moving forward.

**Recent Developments**

There are currently no events to report for 2018.

**Related Party Transactions**

The Manager of the FDP US Dividend 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 since inception.

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>18.788</b>	<b>16.808</b>	<b>15.816</b>	<b>13.804</b>	<b>12.332</b>	<b>10.000</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.162	0.301	1.188	0.213	0.269	0.226
Total expenses	(0.149)	(0.288)	(0.253)	(0.190)	(0.166)	(0.149)
Realized gains (losses)	1.357	0.447	5.337	2.982	2.469	0.379
Unrealized gains (losses)	(0.529)	1.557	(4.451)	(0.791)	0.073	2.327
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	<b>0.841</b>	<b>2.017</b>	<b>1.821</b>	<b>2.214</b>	<b>2.645</b>	<b>2.783</b>
<b>Distributions:</b>						
from income	0.004	0.040	0.257	0.264	0.094	0.055
from dividends	–	–	–	0.001	0.001	–
from capital gains	–	–	–	–	1.018	0.150
from capital returns	–	–	0.830	0.025	–	–
<b>Total distributions<sup>(2)</sup></b>	<b>0.004</b>	<b>0.040</b>	<b>1.087</b>	<b>0.290</b>	<b>1.113</b>	<b>0.205</b>
<b>Net assets at the end of the period</b>	<b>19.624</b>	<b>18.788</b>	<b>16.808</b>	<b>15.816</b>	<b>13.804</b>	<b>12.332</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 US DIVIDEND EQUITY PORTFOLIO, SERIES A (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>	14,906	15,647	14,992	17,117	131,261	102,466
<b>Number of units outstanding (thousands) <sup>(1)</sup></b>	760	833	892	1,082	9,509	8,309
<b>Management expense ratio (%) <sup>(2)</sup></b>	1.555	1.631	1.644	1.296	1.256	1.329
<b>Management expense ratio before waivers and absorptions (%)</b>	1.555	1.631	1.644	1.296	1.256	1.329
<b>Portfolio turnover rate (%) <sup>(3)</sup></b>	16.11	5.25	13.07	3.28	153.22	127.17
<b>Trading expense ratio (%) <sup>(4)</sup></b>	0.07	0.01	0.12	0.04	0.03	0.06
<b>Net asset value per unit</b>	19.624	18.788	16.808	15.816	13.804	12.332

<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 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 0.95% 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 \$84,000 to the Manager.

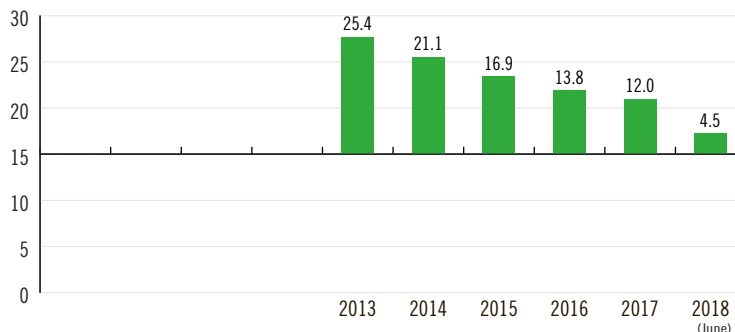
## PAST PERFORMANCE

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 sales fees, 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

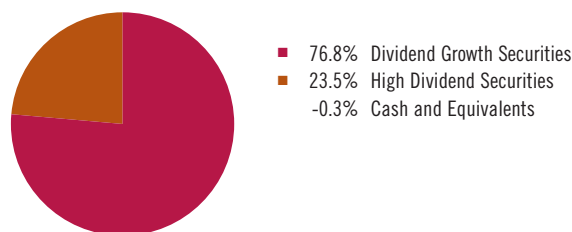
The following bar graph indicates the Portfolio's annual returns for each year. It shows the year-to-year variation in the Portfolio's return. The graph presents, in percentage form, what would have been the upward or downward variation, on the last day of the period, of an investment made on the first day of that year.

% Series A



## OVERVIEW OF PORTFOLIO

### Portfolio Mix



### Top Portfolio Holdings

	% of net asset value
Vanguard Dividend Appreciation ETF	28.1
Vanguard High Dividend Yield ETF	23.2
iShares MSCI USA Momentum Factor ETF	17.6
iShares MSCI USA Value Factor ETF	16.7
iShares Core S&P 500 Index ETF (CAD-Hedged)	9.9
Invesco BuyBack Achievers ETF	3.6
Cash and Equivalents	-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).