

Interim Management Report of Fund Performance

June 2019

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, 31st Floor, P. O. Box 1116, Montréal, Québec H5B 1C2, or by visiting our website at www.professionalsf.com or SEDAR's website at 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, through investment diversification, a return comprised mostly of long-term capital growth and also of steady income. 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 a majority of units issued by other investment funds. These underlying investment funds are selected according to their overall contribution to the 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 mainly in equities and debt securities, 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 and loss restrictions risk.

Operating Results

The FDP Balanced Growth Portfolio posted a net return of 10.2% for the first six-month period of 2019, versus -2.5% for 2018. This result stems partly from the performance of the Canadian stock market (16.2%) and global stock market returns, in Canadian dollars, specifically in the U.S. (13.4%) and European (10.8%) equity components.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 6.5% return. The 10-year government of Canada bond yield declined by 50 basis points in 2019, causing the spread between long- and short-term yields to narrow considerably. Due in part to a slowdown in global economic growth, the flattening of the yield curve led central banks, including the U.S. Federal Reserve (Fed) and the European Central Bank in particular, to implement a new approach and adopt a more accommodative monetary policy. The exacerbation of trade tensions between the United States and China and a moderate inflation rate also drove central banks to change their stance. Credit spreads tightened in the provincial bond and corporate bond sectors in 2019.

The Canadian stock market, as measured by the S&P/TSX Composite Index, posted a 16.2% return over the first half of 2019. The index's eleven component sectors all posted positive returns. Unlike in 2018, rising oil prices, which went from USD45.41 a barrel in late December 2018 to USD58.47 as at June 30, 2019, representing a 28.8% increase, enabled the Energy sector to post a 12.3% return over the six-month period. Information Technology (44.0%), Health Care (35.2%), Utilities (22.4%) and Industrials (21.1%) all contributed significantly to the index's performance.

Supported by positive economic growth, an economy at full employment and the Fed's shift in rhetoric, the U.S. stock market, as measured by the S&P 500, posted a net return of 13.4% in Canadian dollars.

Despite the slowdown in the manufacturing sector in Germany and Japan, eurozone markets yielded positive returns of 10.8% in Canadian dollars, while Asian markets also grew by 5.8% in Canadian dollars.

Recent Developments

There are currently no events to report for 2019.

Related Party Transactions

The Manager of the FDP Balanced Growth 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 and six-month period.

This information comes from the audited annual financial statements and the June 30, 2019 unaudited interim financial statements of the Portfolio. You can obtain the financial statements on the website at www.professionalsf.com.

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

	Six months ended June 30		Years ended December 31			
	2019	2018	2017	2016	2015	2014
Net assets, beginning of period	14.820	15.365	14.273	13.884	13.039	12.367
Increase (decrease) from operations:						
Total revenue	0.121	0.200	0.244	0.215	0.369	0.456
Total expenses	(0.044)	(0.076)	(0.049)	(0.053)	(0.058)	(0.053)
Realized gains (losses)	(0.018)	0.371	0.069	0.419	0.765	0.483
Unrealized gains (losses)	1.429	(0.928)	0.959	0.041	0.144	0.357
Total increase (decrease) from operations ⁽¹⁾	1.488	(0.433)	1.223	0.622	1.220	1.243
Distributions:						
from income	0.062	0.104	0.096	0.127	0.094	0.107
from dividends	–	0.038	0.037	0.021	0.023	0.022
from capital gains	–	0.017	–	0.077	0.180	0.469
from capital returns	–	–	–	–	–	–
Total distributions ⁽²⁾	0.062	0.159	0.133	0.225	0.297	0.598
Net assets at the end of the period	16.267	14.820	15.365	14.273	13.884	13.039

⁽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.

FDP BALANCED GROWTH PORTFOLIO, SERIES A (CONTINUED)

Ratios and Supplemental Data

	Six months ended June 30		Years ended December 31			
	2019	2018	2017	2016	2015	2014
Net asset value (in thousands of dollars) ⁽¹⁾	171,343	145,123	129,646	108,890	99,379	113,530
Number of units outstanding (thousands) ⁽¹⁾	10,533	9,792	8,438	7,629	7,158	8,707
Management expense ratio (%) ⁽²⁾	1.414	1.414	1.413	1.419	1.405	1.423
Management expense ratio before waivers and absorptions (%)	1.414	1.414	1.413	1.419	1.405	1.423
Portfolio turnover rate (%) ⁽³⁾	27.19	42.77	4.61	23.61	21.38	41.66
Trading expense ratio (%) ⁽⁴⁾	0.07	0.13	0.01	0.02	0.01	0.03
Net asset value per unit	16.267	14.820	15.365	14.273	13.884	13.039

⁽¹⁾ 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.

⁽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 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.

⁽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 period.

MANAGEMENT FEES

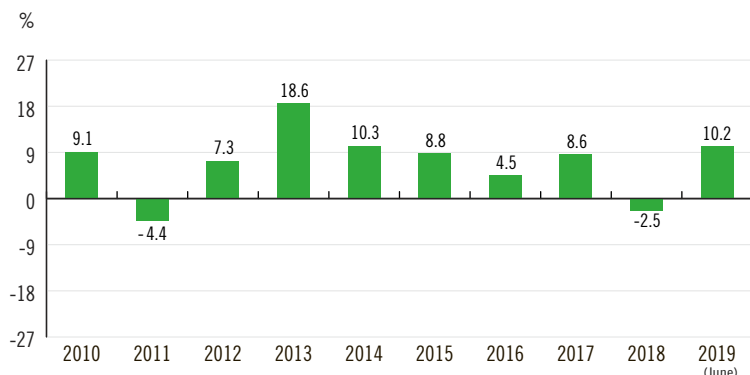
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 1.00% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2019, the Portfolio paid \$392,000 to its Manager.

PAST PERFORMANCE

Information on performance presupposes that the Portfolio's distributions during the periods presented have been totally reinvested in additional units. 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.

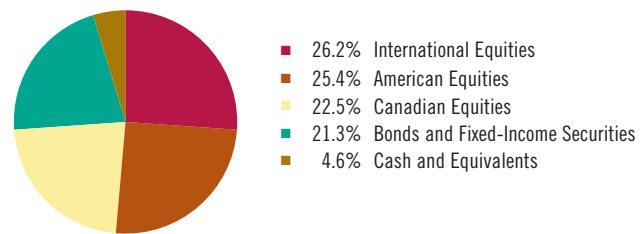
Annual Performance

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 period.



OVERVIEW OF PORTFOLIO

Portfolio Mix



Top Portfolio Holdings

	% of net asset value
FDP Global Equity Portfolio	25.1
FDP Canadian Equity Portfolio	14.6
FDP Canadian Bond Portfolio	12.2
SPDR S&P 500 ETF Trust	12.1
iShares S&P/TSX 60 Index ETF	7.9
iShares Core MSCI EAFE ETF	6.3
Cash and Equivalents	4.6
FDP Global Fixed Income Portfolio	3.9
Bank of Montreal, 2.10%, Oct. 6, 2020	2.9
Invesco QQQ Trust, Series 1	2.8
Scotiabank, 2.27%, Jan. 13, 2020	2.3
iShares Core MSCI Emerging Markets ETF JDR	2.0
iShares J.P. Morgan USD Emerging Markets Bond ETF	1.2
FDP Emerging Markets Equity Portfolio	1.1
iShares China Large-Cap ETF	1.0

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.