

**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, 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 aims to achieve long-term capital growth through investment diversification. The Portfolio invests primarily in equity securities of mostly large capitalization Canadian issuers, but also of small or medium capitalization Canadian issuers. It may also invest in equity securities of foreign issuers, and in debt instruments of Canadian and foreign issuers. A bottom-up approach is used by the Portfolio's Manager to select stocks offering the best investment opportunities and a top-down approach to control risks in terms of positions in different industrial 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 growth, financial solvency and other key criteria. The Portfolio will generally invest in most sectors represented by the Toronto Stock Exchange S&P/TSX Index.

**Risk**

The Portfolio invests primarily in equities of Canadian issuers. Derivatives may also be used for hedging purposes or to establish market positions. The risks related to investments in the Portfolio remain as set out in the Simplified Prospectus. The risks associated with the Portfolio and its holdings are as follows: stock market risk, credit risk, sector risk, large transactions risk, specific issuer risk, derivatives risk, currency risk, foreign security risk, securities lending risk, exchange-traded funds risk, interest rate risk, underlying funds risk, multi-series risk, short selling risk and loss restrictions risk.

**Operating Results**

The FDP Canadian Equity Portfolio, Series A posted a net return of 17.0% for the first six-month period of 2019, versus -8.4% for 2018. The FDP Canadian Equity Portfolio, Series I posted a net return of 17.6% for the first half of the year.

The Canadian stock market, as measured by the S&P/TSX Composite Dividend Index, posted a 15.2% return during the same period. 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. The benchmark index's dividend yield was close to 3.5%.

**Recent Developments**

There are currently no events to report for 2019.

**Related Party Transactions**

The Manager of the FDP Canadian 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 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](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			
	2019	2018	2017	2016	2015	2014
<b>Net assets, beginning of period</b>	<b>23.684</b>	<b>26.469</b>	<b>25.424</b>	<b>23.929</b>	<b>25.993</b>	<b>25.501</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.300	0.496	0.597	0.612	0.631	0.622
Total expenses	(0.182)	(0.367)	(0.324)	(0.315)	(0.331)	(0.344)
Realized gains (losses)	0.632	0.508	0.795	1.780	0.510	2.904
Unrealized gains (losses)	3.262	(2.741)	0.372	1.560	(1.146)	(0.403)
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>4.012</b>	<b>(2.104)</b>	<b>1.440</b>	<b>3.637</b>	<b>(0.336)</b>	<b>2.779</b>
<b>Distributions:</b>						
from income	0.136	–	–	–	–	–
from dividends	–	0.107	0.234	0.220	0.207	0.160
from capital gains	–	0.445	0.157	1.909	1.422	2.271
from capital returns	–	–	0.007	–	–	–
<b>Total distributions <sup>(2)</sup></b>	<b>0.136</b>	<b>0.552</b>	<b>0.398</b>	<b>2.129</b>	<b>1.629</b>	<b>2.431</b>
<b>Net assets at the end of the period</b>	<b>27.559</b>	<b>23.684</b>	<b>26.469</b>	<b>25.424</b>	<b>23.929</b>	<b>25.993</b>

Series I	Six months ended June 30		Years ended December 31			
	2019	2018	2017	2016	2015	2014
<b>Net assets, beginning of period</b>	<b>10.233</b>	<b>11.410</b>	<b>10.896</b>	<b>10.191</b>	<b>10.000</b>	<b>n.a.</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.131	0.216	0.257	0.266	0.225	n.a.
Total expenses	(0.015)	(0.027)	(0.018)	(0.016)	(0.020)	n.a.
Realized gains (losses)	0.273	0.209	0.348	0.840	(0.297)	n.a.
Unrealized gains (losses)	1.392	(1.304)	0.175	0.786	(0.150)	n.a.
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>1.781</b>	<b>(0.906)</b>	<b>0.762</b>	<b>1.876</b>	<b>(0.242)</b>	<b>n.a.</b>
<b>Distributions:</b>						
from income	0.118	–	–	–	–	n.a.
from dividends	–	0.172	0.192	0.183	0.118	n.a.
from capital gains	–	0.174	0.027	0.775	0.040	n.a.
from capital returns	–	–	0.006	–	–	n.a.
<b>Total distributions <sup>(2)</sup></b>	<b>0.118</b>	<b>0.346</b>	<b>0.225</b>	<b>0.958</b>	<b>0.158</b>	<b>n.a.</b>
<b>Net assets at the end of the period</b>	<b>11.913</b>	<b>10.233</b>	<b>11.410</b>	<b>10.896</b>	<b>10.191</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 Portfolio.

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

## Ratios and Supplemental Data

Series A	Six months ended June 30		Years ended December 31			
	2019	2018	2017	2016	2015	2014
<b>Net asset value</b> (in thousands of dollars) <sup>(1)</sup>	228,589	196,984	236,216	263,330	205,558	254,675
<b>Number of units</b> outstanding (thousands) <sup>(1)</sup>	8,294	8,317	8,924	10,358	8,590	9,798
<b>Management expense ratio (%)</b> <sup>(2)</sup>	1.381	1.392	1.254	1.237	1.244	1.240
<b>Management expense ratio before</b> <b>waivers and absorptions (%)</b>	1.381	1.392	1.254	1.237	1.244	1.240
<b>Portfolio turnover rate (%)</b> <sup>(3)</sup>	52.09	114.80	195.72	318.80	290.65	297.44
<b>Trading expense ratio (%)</b> <sup>(4)</sup>	0.15	0.17	0.33	0.58	0.48	0.58
<b>Net asset value per unit</b>	27.559	23.684	26.469	25.424	23.929	25.993

Series I	Six months ended June 30		Years ended December 31			
	2019	2018	2017	2016	2015	2014
<b>Net asset value</b> (in thousands of dollars) <sup>(1)</sup>	171,306	140,442	127,149	119,723	52,944	n.a.
<b>Number of units</b> outstanding (thousands) <sup>(1)</sup>	14,380	13,725	11,144	10,988	5,195	n.a.
<b>Management expense ratio (%)</b> <sup>(2)</sup>	0.256	0.236	0.163	0.148	0.190	n.a.
<b>Management expense ratio before</b> <b>waivers and absorptions (%)</b>	0.256	0.236	0.163	0.148	0.190	n.a.
<b>Portfolio turnover rate (%)</b> <sup>(3)</sup>	52.09	114.80	195.72	318.80	290.65	n.a.
<b>Trading expense ratio (%)</b> <sup>(4)</sup>	0.15	0.17	0.33	0.58	0.48	n.a.
<b>Net asset value per unit</b>	11.913	10.233	11.410	10.896	10.191	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

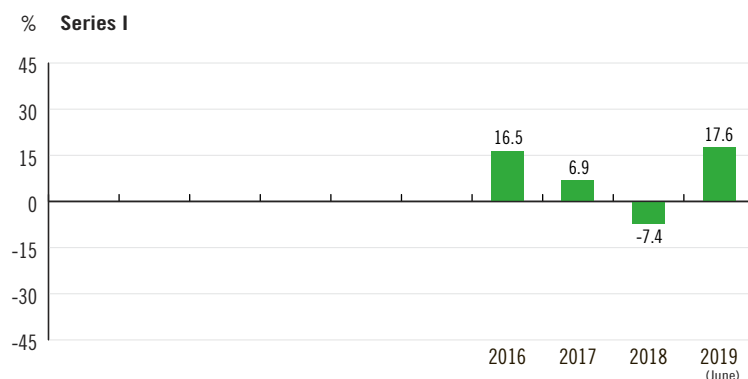
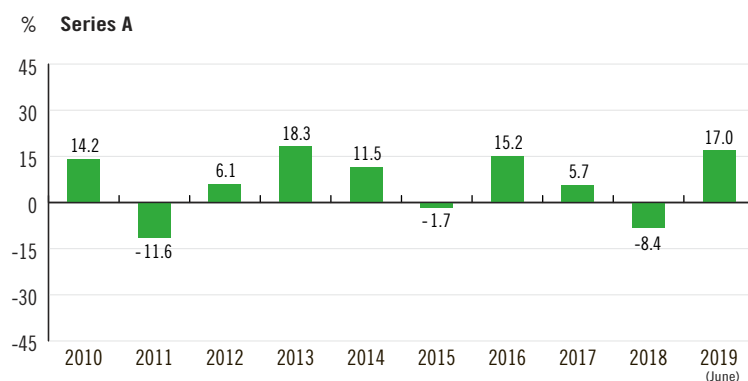
Series A and Series I units pay management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. Series A units' annual management fees of 1.10% and 0.10% for Series I are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2019, Series A units paid \$1,382,000 and \$91,000 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 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

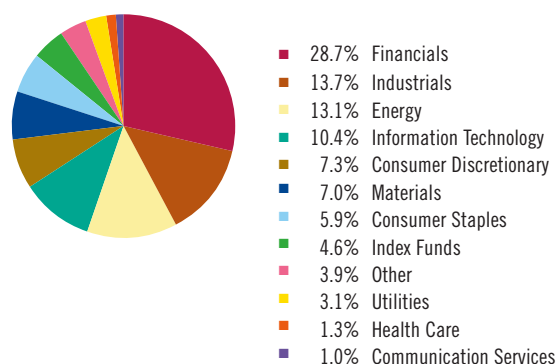
The following bar graphs indicate the Portfolio's annual returns for each year. They show the year-to-year variation in the Portfolio's return. The graphs present, in percentage form, what would have been the upward or downward variation, on the last day of the period, of an investment made on the first day of that period.



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

## OVERVIEW OF PORTFOLIO

### Portfolio Mix



### Top 25 Portfolio Holdings

	% of net asset value
Royal Bank of Canada	6.6
The Toronto-Dominion Bank	6.0
Brookfield Asset Management Inc., Cl. A	4.9
Canadian Pacific Railway Limited	4.7
Cash and Equivalents	3.9
Alimentation Couche-Tard Inc., Cl. B	3.0
Waste Connections, Inc.	3.0
Suncor Energy Inc.	2.5
Thomson Reuters Corporation	2.4
Quebecor Inc., Cl. B	2.4
Sun Life Financial Inc.	2.4
Constellation Software Inc.	2.4
iShares S&P/TSX 60 Index ETF	2.3
iShares Core S&P/TSX Capped Composite Index ETF	2.3
CGI Inc.	2.3
TC Energy Corporation	2.1
Fortis Inc.	2.0
Restaurant Brands International Inc.	2.0
Canadian Natural Resources Ltd.	1.9
Parkland Fuel Corporation	1.9
Shopify Inc., Cl. A	1.8
Franco-Nevada Corporation	1.7
Canadian Apartment Properties REIT	1.6
Pembina Pipeline Corporation	1.5
Wheaton Precious Metals Corp.	1.4

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).