

**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 seeks to achieve long-term capital growth. It invests in securities included in one or more American stock market indices in proportion to their weight in such indices, or favours investments whose returns track one of these indices. A minimum of 60% of the assets of the Portfolio track the performance of the S&P 500 Index. The Portfolio may also invest the assets that do not track the S&P 500 Index in such a way as to track the performance of one or more of the following indices, which will be determined according to the specific requirements of the market: S&P 600 (Small Cap); S&P 500 Low Volatility; Dow Jones Select Dividend (high dividends); and S&P 500 Consumer Staples Sector (consumer products), or any other American market index the nature and principal characteristics of which are similar to such indices, meaning American market indices whose average capitalization or volatility may differ from those of the S&P 500 Index, or that generate a higher dividend yield than the S&P 500 Index, or that may emphasize one of the sectors represented in the S&P 500 Index.

**Risk**

The Portfolio invests in securities included in one or several market indices of the U.S. market in a proportion that reflects their weighting in such indices or by way of investments the performance of which tracks that of such indices. Derivatives may also be used for hedging purposes or to take positions in specific markets. 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, foreign securities risk, currency risk, derivatives risk, securities lending risk, exchange-traded funds risk, sector risk, specific issuer risk, underlying funds risk, interest rate risk, multi-series risk, short selling risk and loss restrictions risk.

**Operating Results**

The FDP US Equity Portfolio, Series A posted a net return of 12.8% for the first six-month period of 2019, versus 0.6% for 2018. The U.S. stock market, as measured by the S&P 500 Index, posted a net return of 13.4% in Canadian dollars over the first half of 2019. Featuring a significant exposure to IT securities, the growth-style approach outperformed its value-style counterpart during the period, posting a 14.7% return in Canadian dollars, compared to 11.2%.

The U.S. economy is growing and has reached full employment. However, the slowdown in global economic growth and exacerbation of trade tensions between the United States and China led the U.S. Federal Reserve to implement a new approach and adopt a more accommodative monetary policy.

**Recent Developments**

There are currently no events to report for 2019.

**Related Party Transactions**

The Manager of the FDP US 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.

As at August 31, 2018, the FDP US Dividend Equity Portfolio was merged with the FDP US Index Equity Portfolio, which was renamed FDP US Equity Portfolio

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>12.642</b>	<b>15.410</b>	<b>13.790</b>	<b>12.802</b>	<b>10.917</b>	<b>9.004</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.105	0.294	0.254	0.549	0.159	0.163
Total expenses	(0.080)	(0.212)	(0.205)	(0.200)	(0.154)	(0.118)
Realized gains (losses)	0.292	5.320	0.697	2.271	3.309	0.689
Unrealized gains (losses)	1.314	(6.459)	0.822	(1.547)	(1.308)	1.254
<b>Total increase (decrease) from operations<sup>(1)</sup></b>	<b>1.631</b>	<b>(1.057)</b>	<b>1.568</b>	<b>1.073</b>	<b>2.006</b>	<b>1.988</b>
<b>Distributions:</b>						
from income	–	0.101	–	0.096	0.052	0.030
from dividends	–	–	–	–	–	–
from capital gains	–	2.599	–	–	–	–
from capital returns	–	0.044	–	0.164	0.008	–
<b>Total distributions<sup>(2)</sup></b>	<b>–</b>	<b>2.744</b>	<b>–</b>	<b>0.260</b>	<b>0.060</b>	<b>0.030</b>
<b>Net assets at the end of the period</b>	<b>14.266</b>	<b>12.642</b>	<b>15.410</b>	<b>13.790</b>	<b>12.802</b>	<b>10.917</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 US EQUITY PORTFOLIO, SERIES A (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>	33,907	31,057	17,094	14,127	16,124	37,416
<b>Number of units</b> <b>outstanding (thousands)</b> <sup>(1)</sup>	2,377	2,457	1,109	1,024	1,259	3,427
<b>Management expense ratio (%)</b> <sup>(2)</sup>	1.229	1.334	1.409	1.588	1.288	1.214
<b>Management expense ratio before</b> <b>waivers and absorptions (%)</b>	1.229	1.334	1.409	1.588	1.288	1.214
<b>Portfolio turnover rate (%)</b> <sup>(3)</sup>	46.99	150.38	15.54	19.06	36.31	43.68
<b>Trading expense ratio (%)</b> <sup>(4)</sup>	0.06	0.11	0.01	0.03	0.02	0.03
<b>Net asset value per unit</b>	14.266	12.642	15.410	13.790	12.802	10.917

<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

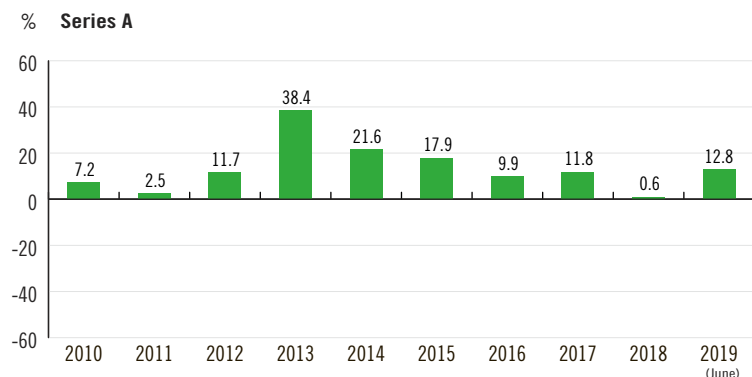
Series A units pay management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. Series A units' annual management fees of 0.80% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2019, Series A units paid \$152,000 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.

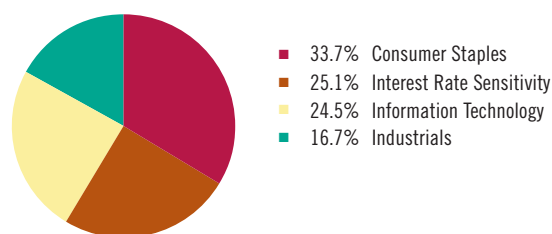
## Annual Performance

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 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.



## OVERVIEW OF PORTFOLIO

### Portfolio Mix



### Top Portfolio Holdings

	% of net asset value
SPDR S&P 500 ETF Trust	54.7
iShares Core S&P 500 Index ETF (CAD-Hedged)	26.8
Invesco QQQ Trust, Series 1	5.2
iShares S&P 500/BARRA Value Index Fund	4.9
Invesco S&P 500 Quality ETF	3.6
Cash and Equivalents	2.2
iShares MSCI USA Momentum Factor ETF	1.4
Invesco S&P 500 Low Volatility ETF	1.2

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).