

Annual Management Report of Fund Performance

December 2019

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can request a copy of the annual 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 steady income and to ensure invested capital preservation. The Portfolio invests primarily in debt instruments of Canadian and foreign issuers. The Portfolio may also invest in equity securities of Canadian and foreign issuers paying dividends or income. The Portfolio Manager uses a top-down global active short-term management approach, including to set the duration of the portfolio. The implementation of dynamic positioning strategies on the yield curve, the choice of classes of issuers and the selection of securities are based on quantitative and qualitative comparisons, and simulations on interest rates, yield differentials, currencies and volatility.

Risk

The Portfolio invests primarily in debt securities, both Canadian and foreign. 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: credit risk, sector risk, foreign securities risk, large transactions risk, specific issuer risk, currency risk, interest rate risk, derivatives risk, securities lending risk, exchange-traded funds risk, asset-backed and mortgage-backed securities risk, multi-series risk, short selling risk and loss restrictions risk.

Operating Results

The FDP Canadian Bond Portfolio, Series A posted a net return of 6.3% for 2019, versus 0.6% for 2018. The FDP Canadian Bond Portfolio, Series I posted a net return of 7.3% for 2019.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 6.9% return. The 10-year government of Canada bond yield declined by 26 basis points in 2019, causing the spread between long- and short-term yields to narrow significantly.

This decline was triggered by the global economic growth slowing down that compelled major central banks, including the U.S. Federal Reserve (Fed) and European Central Bank (ECB) to change their stance and return to a more accommodative monetary policy. The Fed cut its key interest rate three times in 2019. Meanwhile, the Bank of Canada held steady, and provincial and corporate bond credit spreads tightened.

Recent Developments

There are currently no events to report for 2020.

Related Party Transactions

The Manager of the FDP Canadian Bond 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 December 31, 2019 audited annual financial statements of the Fund. You can obtain the financial statements on the website at www.professionalsf.com.

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

Series A	Years ended December 31				
	2019	2018	2017	2016	2015
Net assets, beginning of year	11.602	11.755	11.756	11.913	12.075
Increase (decrease) from operations:					
Total revenue	0.364	0.353	0.347	0.346	0.347
Total expenses	(0.131)	(0.126)	(0.133)	(0.147)	(0.131)
Realized gains (losses)	0.361	(0.201)	(0.036)	0.121	0.188
Unrealized gains (losses)	0.130	0.040	0.029	(0.141)	(0.088)
Total increase (decrease) from operations ⁽¹⁾	0.724	0.066	0.207	0.179	0.316
Distributions:					
from income	0.236	0.222	0.211	0.200	0.216
from dividends	–	0.001	0.005	0.002	–
from capital gains	–	–	–	0.087	0.254
from capital returns	–	–	–	–	–
Total distributions ⁽²⁾	0.236	0.223	0.216	0.289	0.470
Net assets at the end of the year	12.092	11.602	11.755	11.756	11.913

Series I	Years ended December 31				
	2019	2018	2017	2016	2015
Net assets, beginning of year	9.568	9.828	9.825	9.930	10.000
Increase (decrease) from operations:					
Total revenue	0.307	0.289	0.290	0.289	0.276
Total expenses	(0.025)	(0.019)	(0.015)	(0.015)	(0.011)
Realized gains (losses)	0.287	(0.162)	(0.029)	0.093	0.078
Unrealized gains (losses)	0.087	(0.061)	0.019	(0.200)	(0.182)
Total increase (decrease) from operations ⁽¹⁾	0.656	0.047	0.265	0.167	0.161
Distributions:					
from income	0.285	0.398	0.269	0.268	0.231
from dividends	–	0.001	0.006	0.002	0.001
from capital gains	–	–	–	0.051	0.062
from capital returns	–	0.001	–	–	–
Total distributions ⁽²⁾	0.285	0.400	0.275	0.321	0.294
Net assets at the end of the year	9.973	9.568	9.828	9.825	9.930

⁽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 CANADIAN BOND PORTFOLIO, SERIES A AND I (CONTINUED)

Ratios and Supplemental Data

Series A	Years ended December 31				
	2019	2018	2017	2016	2015
Net asset value (in thousands of dollars) ⁽¹⁾	323,896	307,749	332,787	302,963	362,440
Number of units outstanding (thousands) ⁽¹⁾	26,786	26,526	28,310	25,772	30,424
Management expense ratio (%) ⁽³⁾	1.084	1.093	1.230	1.221	1.197
Management expense ratio before waivers and absorptions (%)	1.084	1.093	1.230	1.221	1.197
Portfolio turnover rate (%) ⁽⁴⁾	2,235.60	2,150.70	1,635.70	1,381.07	1,437.73
Trading expense ratio (%) ⁽⁵⁾	–	–	0.02	0.02	0.03
Net asset value per unit	12.092	11.602	11.755	11.756	11.913

Series I	Years ended December 31				
	2019	2018	2017	2016	2015
Net asset value (in thousands of dollars) ⁽²⁾	13,465	10,525	133,963	98,331	73,446
Number of units outstanding (thousands) ⁽²⁾	1,350	1,100	13,632	10,008	7,397
Management expense ratio (%) ⁽³⁾	0.256	0.192	0.251	0.154	0.115
Management expense ratio before waivers and absorptions (%)	0.256	0.192	0.251	0.154	0.115
Portfolio turnover rate (%) ⁽⁴⁾	2,235.60	2,150.70	1,635.70	1,381.07	1,437.73
Trading expense ratio (%) ⁽⁵⁾	–	–	0.02	0.02	0.03
Net asset value per unit	9.973	9.568	9.828	9.825	9.930

⁽¹⁾ 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 Fund's portfolio turnover rate indicates how actively the Fund's 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 year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. 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 of each series during the year.

MANAGEMENT FEES

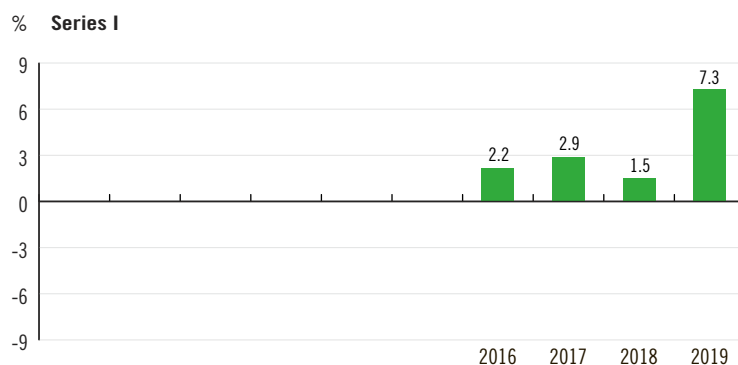
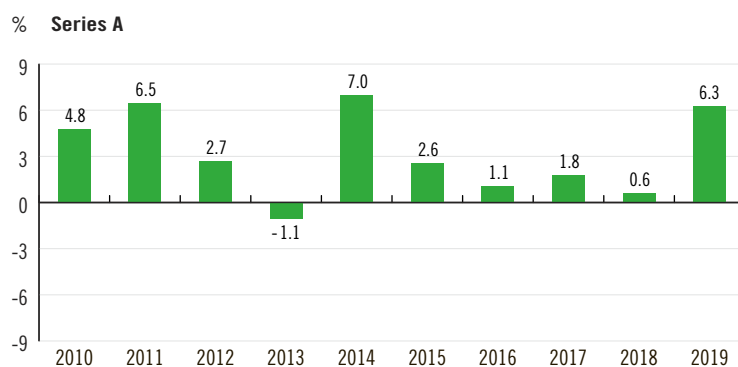
Series A and Series I units pay management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. Series A units' annual management fees of 0.85% and 0.05% for Series I are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2019, Series A units paid \$3,143,000 and \$7,000 for Series I to the Manager.

PAST PERFORMANCE

Information on performance presupposes that the Portfolio's distributions during the years 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 year, of an investment made on the first day of that year.



Annual Compound Returns

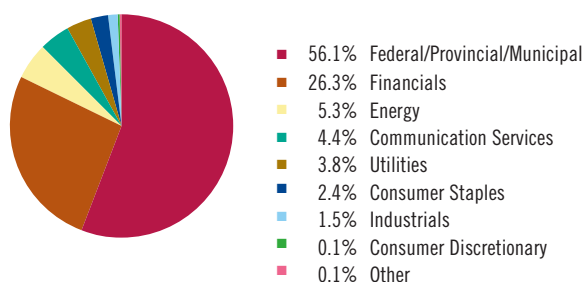
The following graph indicates the Portfolio's annual composite returns and highlights Portfolio performance fluctuations from one fiscal year to the next, ending on December 31, for each year, as well as those of the Portfolio's benchmark.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Canadian Bond Portfolio, Series A	6.28	2.89	2.46	3.20
FDP Canadian Bond Portfolio, Series I	7.26	3.84	–	–
FTSE Index	6.87	3.57	3.18	4.31

FDP CANADIAN BOND PORTFOLIO, SERIES A AND I (CONTINUED)

OVERVIEW OF PORTFOLIO

Portfolio Mix



Top 25 Portfolio Holdings

	% of net asset value
Canadian Imperial Bank of Commerce, 1.64%, Jul. 12, 2021	4.3
Province of Ontario, 3.50%, Jun. 2, 2043	3.8
Province of Ontario, 2.40%, Jun. 2, 2026	3.4
Government of Canada, 4.00%, Jun. 1, 2041	3.4
Province of Ontario, 2.60%, Jun. 2, 2025	3.0
Canada Housing Trust, 1.75%, Jun. 15, 2022	2.7
Province of Québec, 3.75%, Sep. 1, 2024	2.6
Dollarama Inc., 3.55%, Nov. 6, 2023	2.4
Province of Ontario, 2.60%, Jun. 2, 2027	2.4
The Empire Life Insurance Company, 3.38%, Dec. 16, 2026	2.2
Province of Québec, 3.50%, Dec. 1, 2045	2.2
Government of Canada, 5.75%, Jun. 1, 2029	2.1
Canada Housing Trust, 2.35%, Jun. 15, 2023	2.0
Royal Bank of Canada, 3.30%, Sep. 26, 2023	1.9
Government of Canada, 1.50%, Sep. 1, 2024	1.9
Canada Housing Trust, 2.65%, Mar. 15, 2028	1.9
HSBC Bank Canada, 2.25%, Sep. 15, 2022	1.8
HSBC Bank Canada, 2.91%, Sep. 29, 2021	1.8
Granite REIT Holdings LP, 3.79%, Jul. 5, 2021	1.7
Province of Québec, 6.25%, Jun. 1, 2032	1.7
Province of Ontario, 5.85%, Mar. 8, 2033	1.6
Government of Canada, 2.75%, Dec. 1, 2048	1.5
Province of Ontario, 4.60%, Jun. 2, 2039	1.5
Province of Québec, 5.00%, Dec. 1, 2041	1.5
Crombie Real Estate Investment Trust, 3.68%, Aug. 26, 2026	1.5

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.