

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 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 23.7% for 2019, versus 0.6% for 2018. Supported by positive economic growth, an economy at full employment and the Fed's shift in rhetoric and adoption of a more accommodative monetary policy, the U.S. stock market, as measured by the S&P 500 Index, posted a net return of 24.8% in Canadian dollars.

The Canadian dollar appreciated 5.3% against the U.S. dollar. The Information Technology sector significantly bolstered the S&P 500's performance and lessening trade tensions was favourable to investors, consumers and businesses. Manufacturing activity and changes in global economic growth are still raising some concerns.

The 2020 U.S. election will have repercussions on investor confidence in financial markets.

Recent Developments

There are currently no events to report for 2020.

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.

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 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	12.642	15.410	13.790	12.802	10.917
Increase (decrease) from operations:					
Total revenue	0.285	0.294	0.254	0.549	0.159
Total expenses	(0.162)	(0.212)	(0.205)	(0.200)	(0.154)
Realized gains (losses)	0.352	5.320	0.697	2.271	3.309
Unrealized gains (losses)	2.525	(6.459)	0.822	(1.547)	(1.308)
Total increase (decrease) from operations ⁽¹⁾	3.000	(1.057)	1.568	1.073	2.006
Distributions:					
from income	0.078	0.101	–	0.096	0.052
from dividends	–	–	–	–	–
from capital gains	0.082	2.599	–	–	–
from capital returns	–	0.044	–	0.164	0.008
Total distributions ⁽²⁾	0.160	2.744	–	0.260	0.060
Net assets at the end of the year	15.481	12.642	15.410	13.790	12.802

⁽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 US EQUITY PORTFOLIO, SERIES A (CONTINUED)

Ratios and Supplemental Data

Series A	Years ended December 31				
	2019	2018	2017	2016	2015
Net asset value (in thousands of dollars) ⁽¹⁾	34,935	31,057	17,094	14,127	16,124
Number of units outstanding (thousands) ⁽¹⁾	2,257	2,457	1,109	1,024	1,259
Management expense ratio (%) ⁽²⁾	1.199	1.334	1.409	1.588	1.288
Management expense ratio before waivers and absorptions (%)	1.199	1.334	1.409	1.588	1.288
Portfolio turnover rate (%) ⁽³⁾	46.68	150.38	15.54	19.06	36.31
Trading expense ratio (%) ⁽⁴⁾	0.04	0.11	0.01	0.03	0.02
Net asset value per unit	15.481	12.642	15.410	13.790	12.802

⁽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

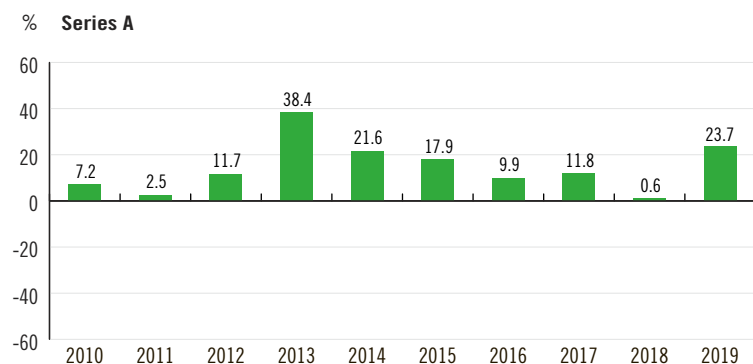
Series A units pay management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. Series A units' annual management fees of 0.80% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2019, Series A units paid \$312,000 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 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 year, of an investment made on the first day of that year.



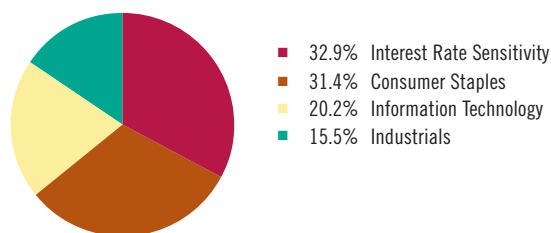
Annual Compound Returns

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 US Equity Portfolio, Series A	23.71	11.62	12.49	14.05
S&P 500	24.84	13.99	14.17	16.03

OVERVIEW OF PORTFOLIO

Portfolio Mix



Top Portfolio Holdings

	% of net asset value
SPDR S&P 500 ETF Trust	57.2
iShares Core S&P 500 Index ETF (CAD-Hedged)	24.8
Invesco QQQ Trust, Series 1	5.7
iShares S&P 500/BARRA Value Index Fund	5.3
Invesco S&P 500 Quality ETF	3.0
iShares MSCI USA Momentum Factor ETF	2.1
Invesco S&P 500 Low Volatility ETF	1.2
Cash and Cash Equivalent	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.