

## Interim Management Report of Fund Performance

June 2024

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 fdpgp.ca/en or SEDAR+'s website at www.sedarplus.ca.

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 steady income and also medium-term capital growth. 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 both the asset allocation and geographic allocation, being mixes of Canadian, American, European, Asian and emerging markets equities. The Portfolio invests in different types of assets, including Canadian and foreign bonds and units issued by other investment funds. These underlying investment funds are selected according to their overall contribution to 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 primarily in debt securities and equities, 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, loss restrictions risk, cybersecurity risk and liquidity risk.

### Operating Results

The FDP Balanced Income Portfolio, Series A posted a net return of 2.0% for the first six months of 2024, versus 8.0% for 2023.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a -0.4% return for the first six months of 2024. The index's negative return is mainly attributable to the steepening of the yield curve and lowered expectations of a key interest rate cut in the near term. These negative impacts on the Portfolio's returns were mitigated by the continued narrowing of credit spreads and the rise in yields to maturity.

The modest key interest rate reduction in early June 2024 (the first since the start of the COVID-19 pandemic in March 2020) was well received in the country and bolstered Canadian stock markets. The economy remains resilient and investors are optimistic. The Canadian stock market, as measured by the S&P/TSX Composite Index, posted a 6.1% return over the first six months of 2024, driven by the Energy and Materials sectors.

In the United States, the U.S. Federal Reserve paused its interest rate hikes until the end of June 2024, keeping its key interest rate within the 5.25%–5.50% range. Its highly anticipated first rate cut was repeatedly delayed due to persistent inflation, which remains above target, and concerns about implementing a cut before the November election. The U.S. stock market, as measured by the S&P 500 Index, posted a 19.6% return in Canadian dollars for the first half of 2024. As was the case for the

MSCI World Index, growth-style stocks (especially those of the Magnificent Seven, the seven largest U.S. technology companies) contributed the most to gains during the first six months of 2024, continuing a trend from 2023. These seven stocks now account for 30% of the S&P 500 Index.

The global stock market, as measured by the MSCI World Index, posted a 16.0% return in Canadian dollars for the first half of 2024. The pause in key interest rate hikes in major global markets (and even slight cuts in some countries) coupled with the growing possibility of inflation stabilizing at reasonable levels (within central banks' target ranges) helped growth stocks outperform value stocks over the first half of 2024, which continues to greatly benefit technology companies.

The Canadian dollar depreciated about 1.6% against the U.S. dollar, which had a positive impact on returns for Canadian investors holding U.S. dollar-denominated assets.

On a relative basis and gross of management fees, the FDP Balanced Income Portfolio outperformed its blended index over the first six months of 2024. The FDP Balance Income Portfolio's positive performance is essentially due to its Canadian equity and fixed-income holdings.

In terms of positioning, the Portfolio remained overweight to equities relative to its peers and maintained an overweight to Canadian securities.

The challenges of 2023 carried over into the first six months of 2024. Inflation is generally under control in major global markets and some central banks have implemented modest rate cuts. However, geopolitical tensions in Europe and the Middle East continue to dampen investor enthusiasm for international markets, leading them to favour the U.S. market instead. In Canada, inflation has subsided and fallen within the Bank of Canada's target range, enabling the first key rate cut in more than four years. Long-awaited, it was welcomed by investors and Canadian consumers.

### Recent Developments

There are currently no events to report for the first six months of 2024.

### Description of the Benchmark Index

The benchmark is weighted as follows: 25% in securities from the S&P/TSX Composite Dividend Index, 10% in securities from the MSCI World Index, 64% in securities from the FTSE Canada Universe Bond Index and 1% in securities from the FTSE Canada 91-Day T-Bill Index.

### Related Party Transactions

The Manager of the FDP Balanced Income 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. With regard to the management of the Portfolio, any transaction between related parties must receive the Independent Review Committee's (IRC) positive recommendation or approval beforehand.

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.

# FDP Balanced Income Portfolio, Series A (continued)

## 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, 2024 unaudited interim financial statements of the Portfolio. You can obtain the financial statements on the website at [fdpgp.ca/en](http://fdpgp.ca/en).

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

Series A (created in 2010)	Six months ended June 30		Years ended December 31			
	2024	2023	2022	2021	2020	2019
Net assets, beginning of period	12.003	11.812	13.216	12.565	11.915	10.859
<b>Increase (decrease) from operations:</b>						
Total revenue	0.162	0.239	0.201	0.183	0.207	0.229
Total expenses	(0.004)	(0.007)	(0.010)	(0.009)	(0.011)	(0.009)
Realized gains (losses)	(0.076)	0.584	0.281	0.401	0.257	0.099
Unrealized gains (losses)	0.147	0.099	(1.675)	0.238	0.378	0.950
<b>Total increase (decrease) from operations <sup>(1)</sup></b>	<b>0.229</b>	<b>0.915</b>	<b>(1.203)</b>	<b>0.813</b>	<b>0.831</b>	<b>1.269</b>
<b>Distributions:</b>						
from income	0.157	0.203	0.143	0.129	0.149	0.179
from dividends	–	0.035	0.035	0.032	0.040	0.034
from capital gains	–	0.498	0.063	0.004	–	–
from capital returns	–	–	–	–	–	–
<b>Total distributions <sup>(2)</sup></b>	<b>0.157</b>	<b>0.736</b>	<b>0.241</b>	<b>0.165</b>	<b>0.189</b>	<b>0.213</b>
<b>Net assets at the end of the period</b>	<b>12.080</b>	<b>12.003</b>	<b>11.812</b>	<b>13.216</b>	<b>12.565</b>	<b>11.915</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.

### Ratios and Supplemental Data

Series A (created in 2010)	Six months ended June 30		Years ended December 31			
	2024	2023	2022	2021	2020	2019
Net asset value (in thousands of dollars) <sup>(1)</sup>	128,686	134,097	155,732	190,278	193,466	186,791
Number of units outstanding (thousands) <sup>(1)</sup>	10,653	11,172	13,185	14,397	15,397	15,677
Management expense ratio (%) <sup>(2)</sup>	1.320	1.306	1.338	1.342	1.350	1.372
Management expense ratio before waivers and absorptions (%)	1.320	1.306	1.338	1.342	1.350	1.372
Portfolio turnover rate (%) <sup>(3)</sup>	2.94	2.61	2.12	3.68	2.72	9.79
Trading expense ratio (%) <sup>(4)</sup>	0.03	0.03	0.04	0.08	0.02	0.03
Net asset value per unit	12.080	12.003	11.812	13.216	12.565	11.915

<sup>(1)</sup> The information is derived from audited annual financial statements and unaudited interim 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 period. The management expense ratio takes into consideration the management expense ratios of the underlying funds.

<sup>(3)</sup> The Portfolio's portfolio turnover rate indicates how actively the Portfolio's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Portfolio buying and selling all of the securities in its portfolio once in the course of the period. The higher a Portfolio's portfolio turnover rate in a period, the greater the trading costs payable by the Portfolio 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 Portfolio.

<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

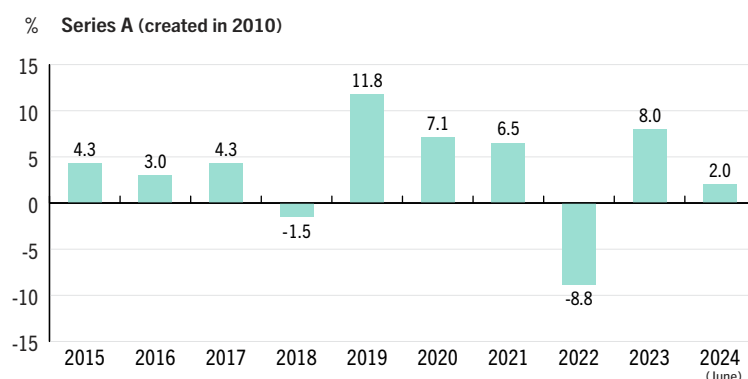
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 0.95% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For the first six months of the year 2024, the Portfolio paid \$13,000 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, 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.

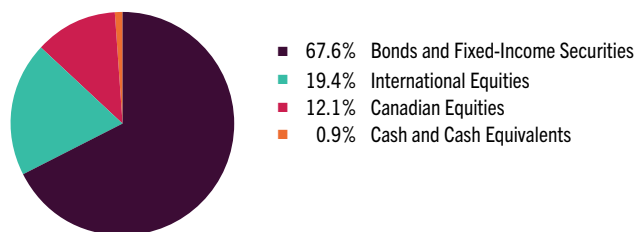
## Annual Performance

The following bar graph indicates the Portfolio's annual returns for each year and for the six-month period ended June 30, 2024. It shows the year-to-year variation in the Portfolio's return from one period to another. 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 Canadian Bond Portfolio	54.0
FDP Global Equity Portfolio	18.9
FDP Global Fixed Income Portfolio	13.5
FDP Canadian Dividend Equity Portfolio	12.1
Cash and Cash Equivalents	1.0
iShares Core MSCI All Country World ex Canada Index ETF	0.5

This portfolio may change due to continual trading in the Portfolio. An update of this data is available every quarter on our website at [fdpgp.ca/en](http://fdpgp.ca/en).