

## Annual Management Report of Fund Performance

**December 2024**

This annual management report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the Portfolio. 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, 31<sup>st</sup> Floor, P. O. Box 1116, Montréal, Québec H5B 1C2, or by visiting our website at [fdpgp.ca/en](http://fdpgp.ca/en) or SEDAR+'s website at [www.sedarplus.ca](http://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 long-term capital growth and also of steady income. 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 managing both the asset allocation and geographic allocation, being mixes of Canadian, American, European, Asian and emerging markets equities. The Portfolio's investments in the various asset types include a majority of units issued by other investment funds. These underlying investment funds are selected according to their overall contribution to the 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 mainly in equities and debt securities, 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 Growth Portfolio, Series A posted a net return of 16.9% for 2024, versus 12.3% for 2023.

The bond market, as measured by the FTSE Canada Universe Bond Index, posted a 4.2% return for the year.

The Bank of Canada lowered its key interest rate five times in 2024, bringing it from 5.00% to 3.25% for a total drop of 175 basis points (bps). The rate cuts were positively received in the country and bolstered Canada's economy and stock markets without triggering a rebound in inflation. The Canadian stock market, as measured by the S&P/TSX Composite Index, posted a 21.7% return for 2024, led by Financial Services and Information Technology stocks.

The U.S. Federal Reserve (Fed) finally started to cut rates in the second half of 2024. The three cuts, totalling 100 bps, brought the Fed rate into the 4.25% – 4.5% range. Inflation appears to be under control and is nearing the target range. Now that the U.S. presidential election is over, the uncertainty over who will control the various branches of the U.S. government has been settled until the 2026 mid-term elections. Investors are now assessing the real-world impacts of the policies pushed by the second Trump administration. The U.S. stock market, as measured by the S&P 500 Index, posted a return of 36.4% in Canadian dollars in 2024. As was the case in the MSCI World Index, growth stocks in the S&P 500 (especially those of the Magnificent Seven, the seven largest U.S. technology companies) contributed the most to gains in 2024, continuing a trend from 2023. These seven stocks now account for around 33% of the S&P 500 Index and nearly 25% of the MSCI World Index.

The global stock market, as measured by the MSCI World Index, posted a 29.4% return in Canadian dollars for 2024. The drop in key interest rates across major global markets combined with the increasing probability that inflation will remain within reasonable levels (i.e., within the target ranges set by the central banks) helped growth stocks outperform value stocks in 2024, which once again significantly benefited tech companies.

The Canadian dollar depreciated sharply and lost around 8.0% 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 Growth Portfolio slightly outperformed its blended index in 2024. Its positive relative performance is essentially due to its Canadian equity and fixed-income holdings, while its international equity holdings detracted.

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

The challenges faced in 2023 carried over into 2024. Inflation is generally under control in major global markets, which allowed some central banks to implement rate cuts. However, geopolitical tensions in Europe and the Middle East continue to restrain investor enthusiasm for the international markets, leading them to favour the U.S. market instead. The second term of Donald Trump, known for his populist and anti-globalist policies, is also expected to increase uncertainty in international markets. In Canada, inflation has fallen within the BoC's target range, but the central bank will need to act carefully to avoid a rebound. The economy is showing signs of slowing down, which supports further rate cuts. However, additional cuts could hurt the Canadian dollar, which continues to depreciate against other currencies including the U.S. dollar.

### Recent Developments

There are no events to report for 2024.

### Description of the Benchmark Index

The benchmark is weighted as follows: 25% in securities from the S&P/TSX Composite Index, 40% in securities from the MSCI World Index, 30% in securities from the FTSE Canada Universe Bond Index and 5% in securities from the FTSE Canada 91-Day T-Bill Index.

### Related Party Transactions

The Manager of the FDP Balanced Growth 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 Growth 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.

This information comes from the audited annual 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 2001)	Years ended December 31				
	2024	2023	2022	2021	2020
Net assets, beginning of year	20.544	18.460	20.752	18.614	17.062
Increase (decrease) from operations:					
Total revenue	0.373	0.312	0.284	0.272	0.205
Total expenses	(0.154)	(0.130)	(0.127)	(0.127)	(0.098)
Realized gains (losses)	0.062	0.028	0.082	0.717	0.275
Unrealized gains (losses)	3.162	2.054	(2.423)	1.376	1.319
Total increase (decrease) from operations <sup>(1)</sup>	3.443	2.264	(2.184)	2.238	1.701
Distributions:					
from income	0.160	0.125	0.065	0.068	0.058
from dividends	0.054	0.062	0.058	0.040	0.036
from capital gains	—	—	—	—	—
from capital returns	—	—	—	—	—
Total distributions <sup>(2)</sup>	0.214	0.187	0.123	0.108	0.094
Net assets at the end of the year	23.785	20.544	18.460	20.752	18.614

<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 2001)	Years ended December 31				
	2024	2023	2022	2021	2020
Net asset value (in thousands of dollars) <sup>(1)</sup>	357,636	286,500	256,731	290,438	222,696
Number of units outstanding (thousands) <sup>(1)</sup>	15,036	13,946	13,907	13,996	11,964
Management expense ratio (%) <sup>(2)</sup>	1.395	1.390	1.396	1.390	1.420
Management expense ratio before waivers and absorptions (%)	1.395	1.390	1.396	1.390	1.420
Portfolio turnover rate (%) <sup>(3)</sup>	31.97	11.23	6.03	11.54	9.20
Trading expense ratio (%) <sup>(4)</sup>	0.04	0.03	0.04	0.06	0.05
Net asset value per unit	23.785	20.544	18.460	20.752	18.614

<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 fiscal year. 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 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 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 year.

### Management Fees

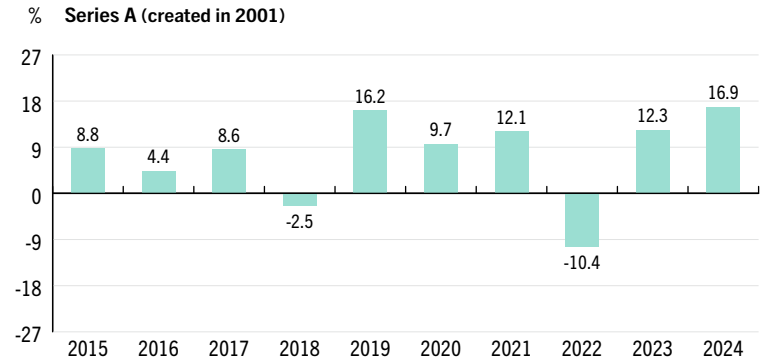
The Portfolio pays management fees to the Manager, Professionals' Financial – Mutual Funds Inc., for service rendered to the unitholders, and investment management and administration services. The annual management fees of 1.00% are calculated daily according to the net assets and paid monthly after deducting the value of interfund investments. For 2024, the Portfolio paid \$2,035,000 to its Manager.

### Past Performance

Information on performance presupposes that the Portfolio's distributions during the years 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. It shows the year-to-year variation in the Portfolio's return. The graph presents, 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

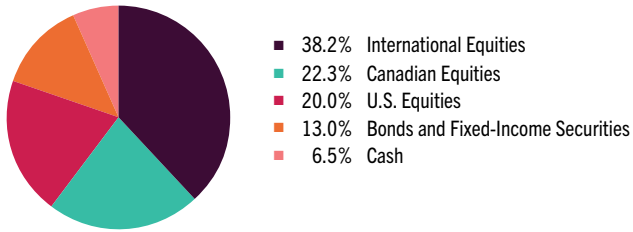
The following table indicates the Portfolio's annual composite returns and highlights Portfolio performance fluctuations from one fiscal year to the next, ending on December 31, for each year, as well as those of the Portfolio's benchmark index.

	1 yr %	3 yrs %	5 yrs %	10 yrs %
FDP Balanced Growth Portfolio, Series A	16.86	5.55	7.65	7.28
Benchmark index	18.32	6.62	8.62	7.87

The benchmark is weighted as follows: 25% in securities from the S&P/TSX Composite Index, 40% in securities from the MSCI World Index, 30% in securities from the FTSE Canada Universe Bond Index and 5% in securities from the FTSE Canada 91-Day T-Bill Index.

## Overview of Portfolio

### Portfolio Mix



### Top Portfolio Holdings

	% of net asset value
FDP Global Equity Portfolio	21.1
FDP Canadian Equity Portfolio	14.2
iShares Core MSCI EAFE ETF	12.3
SPDR S&P 500 ETF Trust	11.0
Cash	6.5
FDP Canadian Bond Portfolio	6.0
Invesco QQQ Trust, Series 1	5.2
Government of Canada, 3.50%, Sep. 01, 2029	4.9
iShares Core MSCI Emerging Markets ETF	4.1
iShares S&P/TSX 60 Index ETF	3.8
Invesco S&P 500 Equal Weight ETF	3.5
iShares Core Canadian Short Term Corporate Bond Index ETF	2.5
FDP Global Fixed Income Portfolio	2.1
iShares Core S&P/TSX Capped Composite Index ETF	1.8
FDP Emerging Markets Equity Portfolio	0.6
iShares Core S&P 500 ETF	0.2

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