



**VALUE
PARTNERS**
INVESTMENTS

VPI CANADIAN BALANCED POOL

**ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

DIXON MITCHELL INVESTMENT COUNSEL INC.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Pool. If you have not received a copy of the annual financial statements with this annual management report of fund performance, you may obtain a copy at your request, and at no cost, by calling toll-free at 1-866-323-4235, by writing to us at 300-175 Hargrave Street, R3C 3R8, by visiting our website at www.valuepartnersinvestments.ca or by visiting the SEDAR website at www.sedar.com. You may also contact us using one of these methods to request a copy of the Pool's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



Annual Management Discussion of Fund Performance

March 22, 2021

Investment Objective and Strategies

VPI Canadian Balanced Pool's objective is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian government and corporate bonds, Canadian and foreign equities, trust and limited partnership units, preferred shares and index or sector proxies, such as index participation units. It is designed to provide both moderate income and reasonable growth over the long-term, while being sufficiently diversified to mitigate volatility.

The Portfolio Manager generally looks for potential equity holdings with identifiable secure market niches with significant barriers to entry and high-quality management who are focused on creating value for shareholders. The Pool's portfolio is principally comprised of the securities of mature companies that the Portfolio Manager believes will be able to sustain and grow cash flow over the long term. The Portfolio Manager also looks at a company's overall historical profitability, cash flow, both the past dividend record and expectations of future trends, and measures of earnings quality. Evaluation of a company's prospective ability to sustain and grow its cash flow is an important part of the equity selection process. In general, the foreign equity holdings will also provide diversification through exposure to industries not well represented in Canada and companies with geographically diverse revenue bases. For the fixed income portion, the Portfolio Manager purchases only Canadian dollar denominated debt instruments with investment grade credit ratings of BBB- or higher.

Risk

Overall, the risks associated with investing in the VPI Canadian Balanced Pool have not materially changed and remain as discussed in the prospectus. The Pool continues to be suitable for investors with a low to medium tolerance for risk given its balanced mandate, the diversified nature of its holdings in both fixed income and equities, and its North American geographic focus with a bias toward large capitalization stocks.

Market risk remains high, primarily due to elevated equity market valuations from the beginning of the year. There is also evidence of heightened speculation in markets, with the recent surge of tech upstart Initial Public Offerings (IPOs), the rise of Special Purpose Acquisition Companies (SPACs) and heavy retail day trading activity. Equity markets have been buoyed by interest rates being historically low, alongside unprecedented monetary and fiscal stimulus being pumped into the financial system. While there is limited near-term risk of stimulus removal, this could turn into a headwind over the medium to long-term, especially if the pandemic subsides with mass vaccinations.

The outcome of the 2020 US election, with a new president and a razor thin Democratic majority in the Senate, brings with it an expectation for a period of bipartisan compromise, or at the very least, a lower probability of drastic policy actions. From a Canadian perspective, the election results south of the border could also be viewed as a positive for bilateral trade relations and regional co-operation, given the initial overtures by members of the Biden administration toward their Canadian counterparts.

An increase in inflation expectations, especially considering numerous recent COVID-19 vaccine announcements has led to a heightened level of interest rate risk. While current measures of inflation remain low, the bond market is suggesting inflation in the near to intermediate future, based on the steepening of the yield curve as well as other factors. The rationale is that as vaccines get rolled out and sectors of the economy that have been drastically damaged by the pandemic such as travel, lodging and restaurants start coming back to normal, the excess liquidity in the system is unlikely to be soaked up as quickly as it was pumped in. This in turn could lead to 'demand pull' inflation. On the other hand, structural deflationary forces remain in place, and have not been improved in any way by COVID—these include anemic population growth, the aging cohort of 'baby boomers' who increasingly rely on the social safety net from governments, and the effects of globalization and technological innovation on lowering costs for consumers.



VPI CANADIAN BALANCED POOL

Results of Operations (continued)

Net assets of the Pool increased by approximately \$137.8 million for the year ended December 31, 2020. The increase is attributable to \$84.5 million of net sales, and a \$60.2 million increase in net assets from operations, offset by distributions of \$6.9 million to unitholders. The increase in net assets from operations resulted from \$35.7 million of unrealized appreciation in the value of investments, \$4.2 million of interest income, \$8.7 million of dividend income and \$22.8 million of realized gains on the sale of investments. This was offset by \$11.1 million of management fees and operating expenses and a \$0.1 million foreign exchange loss on cash.

The following table summarizes the businesses that were added or removed from the portfolio during the year:

| <i>Additions</i> | <i>Dispositions</i> |
|---------------------------------|------------------------|
| Alphabet Inc., Class A | 3M Co |
| Becton Dickinson and Co | CI Financial Corp |
| Brookfield Asset Management Inc | Finning International |
| Dollarama Inc | Johnson & Johnson |
| Element Fleet Management Corp | PrairieSKY Royalty Ltd |
| Roper Technologies Inc | Suncor Energy Inc |

As a result of these changes, some partial dispositions, cash flows of the Pool and market value changes, there were some moderate shifts in the portfolio allocation from the prior year as indicated in the following table:

| Sector | Allocation Increase | Sector | Allocation Decrease |
|----------------------------------|---------------------|--|---------------------|
| Media and Entertainment | 3.3% | Corporate Bonds | -3.6% |
| Diversified Financials | 2.9% | Energy | -2.6% |
| Healthcare, Equipment & Services | 2.1% | Pharmaceuticals, Biotechnology & Life Sciences | -2.5% |
| Retailing | 2.1% | Cash & Equivalents | -1.8% |
| Government Bonds | 1.6% | Software & Services | -1.7% |
| Consumer Services | 1.1% | Technology Hardware & Equipment | -1.4% |
| Transportation | 0.9% | Insurance | -0.3% |
| Materials | 0.2% | Telecommunication Services | -0.3% |
| Capital Goods | 0.1% | Commercial & Professional Services | -0.2% |
| Food & Staples retailing | 0.1% | | |
| Food, Beverage & Tobacco | 0.1% | | |

The first half of 2020 was extremely volatile, with equity markets plunging in late February through late March on account of the COVID-19 pandemic and the resultant 'sudden stop' in the global economy due to lockdowns. As numerous fiscal and monetary impulses began working their way through financial markets and the economy, risk appetite returned in the second quarter. The rebound that began in April accelerated into year-end, as both the S&P/TSX and S&P 500 ended in positive territory for the year, far higher than could have been imagined during the depths of the pandemic induced market shock. Bonds lagged equities over the latter half of 2020; however, given their strength in the first quarter when markets were collapsing, they turned in a solid year, with the broad bond universe gaining 8.7%, roughly 3.1% better than the S&P/TSX due to lower yields combined with tightening corporate and provincial spreads as the Bank of Canada commenced its asset purchase programs.

The Pool provided returns in the range of 9.6% to 10.6% in 2020, outperforming the blended benchmark by roughly 1.0%. The Pool's strong one-year performance was enhanced by actions taken by the Portfolio Manager during the market downturn in March, when equities were added at a point in time when valuations were extremely attractive. Within equities, the Portfolio Manager took the opportunity to improve the positioning of the Pool by adding some higher quality businesses to the portfolio.



Results of Operations (continued)

The Pool's strong performance was driven by a number of core holdings (Apple, Thermo Fisher, Microsoft) that rose significantly as a result of strong business models that were able to thrive in an uncertain environment. The Pool also benefitted from investments in Canadian logistics operators (TFI International, Canadian National Railway) as well as a couple of new additions to the portfolio during the year (Roper, Dollarama). There were also some holdings in the Pool that struggled during the period, however, did not have a material impact on the performance of the Pool due to their relative weighting.

Revenues and Expenses

Revenues of the Pool amounted to \$12.9 million, representing a combination of dividend and interest income from its holdings. The Pool also incurred \$11.1 million in management fees and operating expenses, realized gains of \$22.8 million on the sale of investments and experienced unrealized appreciation in the value of its investments of \$35.7 million.

Realized gains on the sale of investments during the year are attributable to the following complete and partial dispositions from the portfolio. Dividends received from each of these holdings while in the Pool are in addition to these gains.

| Holding | Approximate Holding Period | Proceeds (millions \$) | Cost (millions \$) | Realized Gain/Loss (millions \$) |
|------------------------|-----------------------------------|-------------------------------|---------------------------|---|
| 3M Co | 12.5 years | 4.4 | 3.4 | 1.0 |
| CI Financial Corp | 5.5 years | 4.1 | 8.4 | (4.3) |
| Finning International | 6.4 years | 4.5 | 5.0 | (0.5) |
| Johnson & Johnson | 12.9 years | 8.3 | 2.7 | 5.6 |
| PrairieSKY Royalty Ltd | 3.8 years | 1.8 | 5.8 | (4.0) |
| Suncor Energy Inc | 9.1 years | 2.7 | 5.5 | (2.8) |
| Partial Dispositions | n/a | 104.6 | 76.8 | 27.8 |
| Treasury Bills | n/a | 45.0 | 45.0 | - |
| | | 175.4 | 152.6 | 22.8 |

Recent Developments

Economic Conditions

The COVID-19 pandemic resulted in numerous 'lock down' or 'stay at home' orders to physically distance and thereby flatten the curve of infections. While appropriate public health measures, they dramatically impacted commerce, manifesting in a sharp demand shock for the global economy with a dramatic hit to GDP experienced in the second quarter of 2020. However, as activity resumed post the initial lockdowns, signs of recovery are evident. Vaccine rollouts further enhance the case for recovery, though logistical challenges and new more highly contagious coronavirus variants pose some risks to the pace of the recovery.

During 2020, governments acted swiftly with extraordinary levels of fiscal and monetary stimulus to blunt the economic impact of the pandemic. With the launch of these policy actions, investors have seen a major resurgence in markets relative to the underlying economic data. The quarters ahead are critical to see whether these measures translate into a true recovery of the economy, although the evidence in corporate earnings is encouraging. At present, many of these unconventional measures look likely to remain in place for the next couple of years, with no rate hikes forecast till 2023 by either the Bank of Canada or the FOMC. This has provided a strong environment for equities. Even so, investors have begun to see yield curves steepen as discussed in the Risks section.



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Recent Developments (continued)

While conventional wisdom would suggest that higher debt levels should signal inflation, the reality in the G7 countries since the 2008 financial crisis has been quite the opposite: higher levels of debt have not produced any inflation, whereas the marginal productivity of incremental debt has been diminishing. In the case of the pandemic-induced debt binge, the new issuance served mainly to keep things afloat as opposed to being deployed toward GDP-creating uses, such as building roads and critical infrastructure. Long term rates across G7 countries have migrated toward (or past) zero percent. The pattern has been eerily similar over time across developed nations, with each of these economies grappling with similar dynamics vis-à-vis demographics, debt levels and sovereign bond yields. However, since the Pfizer vaccine announcement in November, investors have seen rates move upward in the US and Canada, as the specter of inflation has returned to fixed income markets. How this plays out remains to be seen, but the Pool has been positioned to mitigate the risk of rising rates by being significantly underweight bonds relative to the fixed income target, and far shorter in duration vs. the bond benchmark. As of year-end 2020 the Pool had a weighted duration of 5.8 years excluding T-bills, versus the broad fixed income universe at 8.1 years.



VPI CANADIAN BALANCED POOL

Portfolio Allocation

| | | | |
|-------------------|-------|--------------------|------|
| Canadian Equities | 38.1% | Cash & Equivalents | 7.6% |
| US Equities | 31.0% | Corporate Bonds | 7.3% |
| Government Bonds | 14.0% | Offshore Equities | 2.0% |

Sector Allocation

| | | | |
|------------------------------------|-------|--------------------------------------|------|
| Government Bonds | 14.0% | Media and Entertainment | 3.3% |
| Software and Services | 10.8% | Pharmaceuticals & Biotechnology | 2.7% |
| Banks | 10.7% | Energy | 2.4% |
| Diversified Financials | 8.0% | Consumer Services | 2.1% |
| Cash & Equivalents | 7.6% | Retailing | 2.1% |
| Corporate Bond | 7.3% | Food and Staples Retailing | 2.0% |
| Transportation | 5.3% | Commercial and Professional Services | 1.9% |
| Technology Hardware & Equipment | 4.7% | Consumer Durables and Apparel | 1.7% |
| Capital Goods | 3.5% | Materials | 1.4% |
| Health Care Equipment and Services | 3.4% | Telecommunication Services | 1.0% |
| Food, Beverage and Tobacco | 3.4% | Insurance | 0.7% |

Top 25 Holdings

| Issuer | Percentage of Net Assets |
|--|-------------------------------------|
| Cash & Equivalents | 7.6% |
| Visa Inc. | 4.7% |
| Berkshire Hathaway Inc., Class B | 4.3% |
| Microsoft Corporation | 3.9% |
| The Toronto-Dominion Bank | 3.7% |
| Royal Bank of Canada | 3.5% |
| Canadian National Railway Company | 3.4% |
| Alphabet Inc., Class A | 3.3% |
| Apple Inc. | 3.1% |
| Thermo Fisher Scientific Inc. | 2.7% |
| The Bank of Nova Scotia | 2.6% |
| Becton, Dickinson and Company | 2.4% |
| Oracle Corporation | 2.2% |
| Brookfield Asset Management Inc. | 2.2% |
| MTY Food Group Inc. | 2.1% |
| Dollarama Inc. | 2.1% |
| Alimentation Couche-Tard Inc., Class B | 2.0% |
| Diageo plc | 2.0% |
| Thomson Reuters Corporation | 1.9% |
| TFI International Inc. | 1.9% |
| Roper Technologies, Inc. | 1.8% |
| Gildan Activewear Inc. | 1.7% |
| Badger Daylighting Ltd. | 1.7% |
| Cisco Systems, Inc. | 1.5% |
| Element Fleet Management Corp. | 1.5% |
| Total | 69.8% |

The above summary of investment portfolio may change due to ongoing portfolio transactions of the Pool. An update will be made available within 60 days of each subsequent quarter-end.



VPI CANADIAN BALANCED POOL

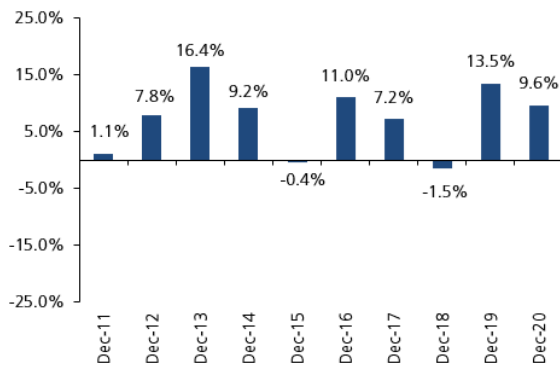
Past Performance

The historical performance information shown below assumes that all distributions were reinvested in the Pool and does not account for any sales, redemptions, distributions or optional charges or income taxes payable by an investor that would have reduced returns. Mutual fund returns are not guaranteed, their values change frequently and past performance may not be repeated.

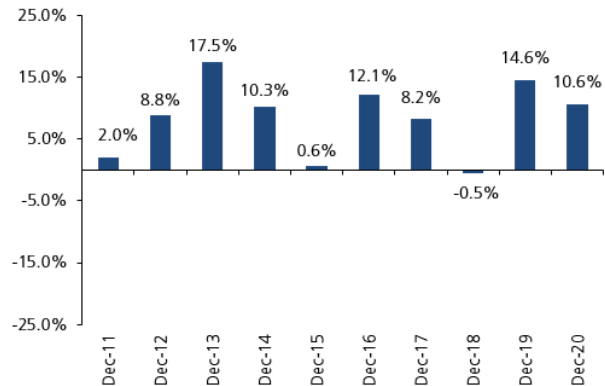
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the year ended December 31, 2020, and the previous years ended December 31 or since inception to December 31. It shows in percentage terms, how an investment made on January 1 or on inception would have increased or decreased by the end of the respective periods.

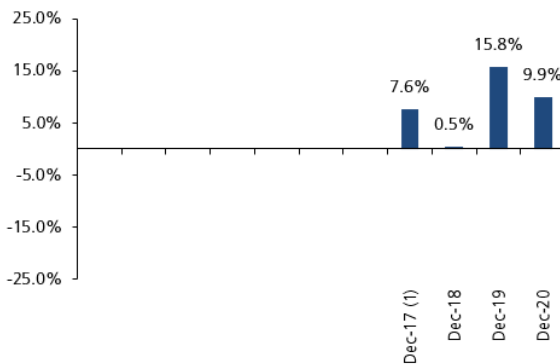
Series A



Series F



Series O



(1) 2017 return is since inception on July 5, 2017.



Annual Compound Returns

The following table shows the annual compound total return of each series of the Pool compared to the blended index which is comprised of the S&P/TSX Composite Index, the FTSE Canada Universe Bond Index and the S&P 500 Index in Canadian dollar terms (the "Blended Index") for the periods shown ended December 31, 2020. All index returns are calculated on a total return basis, meaning that performance was calculated under the assumption that all distributions were reinvested.

| | 10 Year | 5 Year | 3 Year | 1 Year | Since Inception |
|----------------------------------|-------------|-------------|-------------|--------------|-----------------|
| Series A⁽¹⁾⁽²⁾ | 7.2% | 7.8% | 7.0% | 9.6% | 5.1% |
| Blended Index | 7.1% | 8.3% | 7.3% | 8.8% | 6.1% |
| S&P/TSX Composite Index | 5.8% | 9.3% | 5.7% | 5.6% | 4.7% |
| FTSE Canada Universe Bond Index | 4.5% | 4.2% | 5.6% | 8.7% | 5.0% |
| S&P 500 Index (C\$) | 16.8% | 13.2% | 14.8% | 16.3% | 11.4% |
| Series F⁽¹⁾⁽²⁾ | 8.3% | 8.9% | 8.0% | 10.6% | 6.0% |
| Blended Index | 7.1% | 8.3% | 7.3% | 8.8% | 6.1% |
| S&P/TSX Composite Index | 5.8% | 9.3% | 5.7% | 5.6% | 4.7% |
| FTSE Canada Universe Bond Index | 4.5% | 4.2% | 5.6% | 8.7% | 5.0% |
| S&P 500 Index (C\$) | 16.8% | 13.2% | 14.8% | 16.3% | 11.4% |
| Series O⁽¹⁾⁽³⁾ | n/a | n/a | 8.5% | 9.9% | 9.5% |
| Blended Index | n/a | n/a | 7.3% | 8.8% | 7.8% |
| S&P/TSX Composite Index | n/a | n/a | 5.7% | 5.6% | 7.3% |
| FTSE Canada Universe Bond Index | n/a | n/a | 5.6% | 8.7% | 4.8% |
| S&P 500 Index (C\$) | n/a | n/a | 14.8% | 16.3% | 14.9% |

(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.

(2) Inception date: October 1, 2007

(3) Inception date: July 5, 2017

The Blended Index is comprised of 50% S&P/TSX Composite Index, 35% FTSE Canada Universe Bond Index and 15% S&P 500 Index (Canadian dollars). The S&P/TSX Composite Index is a broad market indicator of activity for the Canadian equity market. Size and liquidity are among the key criteria for inclusion in the index, with size being assessed on a float market capitalization basis and liquidity being measured relative to liquidity thresholds. The FTSE Canada Universe Bond Index is a broad market indicator of activity for the Canadian fixed income market. It measures the total return of Canadian bonds with terms to maturity greater than one year, and it includes approximately 1,000 federal, provincial, municipal and corporate bonds rated BBB or higher. The S&P 500 Index has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy, capturing approximately 80% coverage of available market capitalization.



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Management Fees

The Pool pays an annual management fee on each of its series (excluding Series O) to Value Partners Investments Inc. ("the Manager"). The management fee is calculated daily as a percentage of the net asset value of each series as of the close of business on each business day. In consideration for the management fees, the Manager may pay a percentage sales commission and/or trailing commission to registered dealers or brokers for units bought and held in the Pool depending on which series of units were purchased. The Manager also pays a portion of the management fee to the Portfolio Manager for its services in managing the investment portfolio.

For the year ended December 31, 2020, approximately 43% of the management fee revenues received by the Manager from the Pool were paid to registered dealers and brokers as sales and/or trailing commissions. Since each series may have a different commission structure, this percentage may vary by series. For unitholders eligible for the Management Fee Reduction Program, approximately 15% of the gross management fees were returned to unitholders as management fee rebates. The remainder of the management fee revenue, after payment of fees to the Portfolio Manager for its services, was retained by the Manager for corporate purposes.

Related Party Transactions

Value Partners Investments Inc. is the manager of the Pool and is responsible for the overall business and operations of the Pool. For the year ended December 31, 2020 the Pool paid \$9.7 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 31,559 Series F of the Pool as of December 31, 2020.



Financial Highlights

The following tables show selected key financial information about each series of the Pool and are intended to help you understand the Pool's financial performance for the past five years ended December 31. This information is derived from the Pool's audited annual financial statements and is not intended to be a reconciliation of the net asset value per unit.

The Pool's Net Assets Per Unit (\$) ⁽¹⁾

| Series A | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 | December 31 2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net assets, beginning of period | 16.04 | 14.17 | 14.40 | 13.49 | 12.26 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.35 | 0.36 | 0.35 | 0.36 | 0.38 |
| Total expenses | (0.33) | (0.32) | (0.30) | (0.29) | (0.26) |
| Realized gains (losses) for the period | 0.62 | 0.13 | 0.18 | 0.18 | 0.26 |
| Unrealized gains (losses) for the period | 0.98 | 1.68 | (0.46) | 0.72 | 0.98 |
| Total increase (decrease) from operations ⁽²⁾ | 1.62 | 1.85 | (0.23) | 0.97 | 1.36 |
| Distributions: | | | | | |
| From net investment income (excluding dividends) | - | - | - | - | - |
| From dividends | - | (0.04) | (0.01) | (0.07) | (0.12) |
| From capital gains | (0.15) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions ⁽³⁾ | (0.15) | (0.04) | (0.01) | (0.07) | (0.12) |
| Net assets, end of period | 17.42 | 16.04 | 14.17 | 14.40 | 13.49 |

| Series F | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 | December 31 2016 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net assets, beginning of period | 16.31 | 14.36 | 14.58 | 13.67 | 12.42 |
| Increase from operations: | | | | | |
| Total revenue | 0.36 | 0.37 | 0.36 | 0.37 | 0.39 |
| Total expenses | (0.18) | (0.17) | (0.17) | (0.16) | (0.15) |
| Realized gains (losses) for the period | 0.65 | 0.12 | 0.18 | 0.19 | 0.24 |
| Unrealized gains (losses) for the period | 1.00 | 1.69 | (0.55) | 0.75 | 1.08 |
| Total increase from operations ⁽²⁾ | 1.83 | 2.01 | (0.18) | 1.15 | 1.56 |
| Distributions: | | | | | |
| From net investment income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.16) | (0.14) | (0.14) | (0.21) | (0.26) |
| From capital gains | (0.16) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions ⁽³⁾ | (0.32) | (0.14) | (0.14) | (0.21) | (0.26) |
| Net assets, end of period | 17.72 | 16.31 | 14.36 | 14.58 | 13.67 |



Financial Highlights (continued)

| Series O ⁽⁴⁾ | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 |
|--|---------------------|---------------------|---------------------|---------------------|
| Net assets, beginning of period⁽⁴⁾ | 11.86 | 10.40 | 10.53 | 10.00 |
| Increase from operations: | | | | |
| Total revenue | 0.25 | 0.27 | 0.26 | 0.14 |
| Total expenses | - | (0.01) | (0.01) | - |
| Realized gains (losses) for the period | 0.52 | 0.08 | 0.14 | 0.05 |
| Unrealized gains (losses) for the period | 0.79 | 1.27 | (0.42) | (0.69) |
| Total decrease from operations⁽²⁾ | 1.56 | 1.61 | (0.03) | (0.50) |
| Distributions: | | | | |
| From net investment income (excluding dividends) | - | - | - | - |
| From dividends | (0.23) | (0.18) | (0.18) | (0.23) |
| From capital gains | (0.11) | - | - | - |
| Return of capital | - | - | - | - |
| Total annual distributions⁽³⁾ | (0.34) | (0.18) | (0.18) | (0.23) |
| Net assets, end of period | 12.91 | 11.86 | 10.40 | 10.53 |

(1) This information is derived from the Pool's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units of the Pool, or both.

(4) Inception date: July 5, 2017



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Ratios and Supplemental Data

| Series A | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 | December 31 2016 |
|--|------------------|------------------|------------------|------------------|------------------|
| Total net asset value (000's) ⁽¹⁾ | \$583,455 | \$473,503 | \$346,791 | \$322,602 | \$296,822 |
| Number of units outstanding (000's) ⁽¹⁾ | 33,498 | 29,522 | 24,475 | 22,406 | 22,001 |
| Management expense ratio ⁽²⁾ | 1.98% | 1.99% | 2.01% | 2.00% | 2.00% |
| Management expense ratio before waivers or absorptions | 1.98% | 1.99% | 2.01% | 2.00% | 2.00% |
| Trading expense ratio ⁽³⁾ | 0.02% | 0.01% | 0.00% | 0.01% | 0.01% |
| Portfolio turnover rate ⁽⁴⁾ | 31.83% | 9.50% | 3.39% | 11.11% | 12.76% |
| Net asset value per unit ⁽¹⁾ | \$17.42 | \$16.04 | \$14.17 | \$14.40 | \$13.49 |

| Series F | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 | December 31 2016 |
|--|------------------|------------------|------------------|------------------|------------------|
| Total net asset value (000's) ⁽¹⁾ | \$87,261 | \$64,539 | \$43,153 | \$28,143 | \$19,594 |
| Number of units outstanding (000's) ⁽¹⁾ | 4,925 | 3,958 | 3,005 | 1,930 | 1,434 |
| Management expense ratio ⁽²⁾ | 1.04% | 1.04% | 1.06% | 1.05% | 1.05% |
| Management expense ratio before waivers or absorptions | 1.04% | 1.04% | 1.06% | 1.05% | 1.05% |
| Trading expense ratio ⁽³⁾ | 0.02% | 0.01% | 0.00% | 0.01% | 0.01% |
| Portfolio turnover rate ⁽⁴⁾ | 31.83% | 9.50% | 3.39% | 11.11% | 12.76% |
| Net asset value per unit ⁽¹⁾ | \$17.72 | \$16.31 | \$14.36 | \$14.58 | \$13.67 |

| Series O | December 31 2020 | December 31 2019 | December 31 2018 | December 31 2017 |
|--|------------------|------------------|------------------|------------------|
| Total net asset value (000's) ⁽¹⁾ | \$12,898 | \$7,787 | \$4,243 | \$1,083 |
| Number of units outstanding (000's) ⁽¹⁾ | 999 | 657 | 408 | 103 |
| Management expense ratio ⁽²⁾ | 0.00% | 0.00% | 0.00% | 0.00% |
| Management expense ratio before waivers or absorptions | 0.09% | 0.09% | 0.11% | 0.11% |
| Trading expense ratio ⁽³⁾ | 0.02% | 0.01% | 0.00% | 0.01% |
| Portfolio turnover rate ⁽⁴⁾ | 31.83% | 9.50% | 3.39% | 11.11% |
| Net asset value per unit ⁽¹⁾ | \$12.91 | \$11.86 | \$10.40 | \$10.53 |

(1) This information is provided as at the date shown.

(2) Management expense ratio is based on total expenses for the stated period (excluding distributions, commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets during the period. In the period a series is established, the management expense ratio is annualized from the date of inception to December 31.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

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



VALUE
PARTNERS
INVESTMENTS

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2020

VPI CANADIAN BALANCED POOL

Other Information

Value Partners Group Inc. (VPGI) owns 100% of Value Partners Investments Inc. (VPI) and LP Financial Planning Services Ltd. (LP Financial), formerly Lawton Partners Financial Planning Services Limited, a mutual fund dealer. VPGI is 37.3% owned by Longton Ltd., whose shareholders include specified members of the Lawton family, including Paul and Sean Lawton. Paul Lawton is an officer of VPGI as well as a director and officer of both VPI and LP Financial. Sean Lawton is a director and sales representative of LP Financial.

As of December 31, 2020, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 18.7% and Class C1 shares representing 6.2% of the common equity of VPGI. The remaining common equity of VPGI was held by sales representatives of other dealer firms and employees of VPGI, VPI and LP Financial. No other sales representative held more than 5 percent of the common equity of VPGI. Additional information regarding equity interests may be obtained from the Pool's annual information form or from the Manager's website at <http://www.valuepartnersinvestments.ca>.

Forward-Looking Statements

This report may contain forward-looking statements about the Pool, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Pool action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Pool and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Pool. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Pool has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.