VPI CANADIAN BALANCED POOL

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

MANAGER
VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER
DIXON MITCHELL INVESTMENT COUNSEL INC.

This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the Pool. If you have not received a copy of the interim financial statements with this interim 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.

Interim Management Discussion of Fund Performance

August 23, 2021

The Interim Management Report of Fund Performance presents management's view of the significant factors and developments affecting the Pool's performance and outlook since December 31, 2020, the Pool's most recent fiscal year-end. This report should be read in conjunction with the Annual Management Report of Fund Performance for the year ended December 31, 2020.

Results of Operations

Net assets of the Pool increased by approximately $94.4 million for the six-month period ended June 30, 2021. The increase is attributable to $31.6 million of net sales, and a $62.8 million increase in net assets from operations. The increase in net assets from operations resulted from $50.3 million of unrealized appreciation in the value of investments, a $13.5 million net realized gain on the sale of investments and $6.2 million of dividend and interest income. This was offset by $6.7 million of operating expenses and management fees and a $0.5 million foreign exchange loss on cash.

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

Additions	*Dispositions*
Intercontinental Exchange Inc.	Cisco Systems

As a result of these changes, partial dispositions, market value changes and cash flows of the Pool, there were some moderate shifts in the portfolio allocation from the beginning of the year, the most notable of which are highlighted in the following table:

Sector	*Allocation Increase*	*Sector*	*Allocation Decrease*
Banks	2.5%	Government Bonds	2.0%
Diversified Financials	2.3%	Technology Hardware & Equipment	1.9%
Media and Entertainment	1.3%	Other Net Assets	1.8%
Retailing	1.1%	Food, Beverage & Tobacco	1.2%
Food & Staples retailing	1.0%	Software & Services	0.7%
Transportation	0.7%		

Each series of the Pool experienced gains in the range of 8.8% to 9.9% which was comparable to the blended benchmark (comprised of 50% S&P/TSX Composite Total Return Index, 35% FTSE TMX Canada Universe Bond Index and 15% S&P 500 Total Return Index (C$)), with a return for the period of 8.9%.

Equity markets were robust during the first half of 2021, with both the TSX and S&P 500 indices repeatedly marking new highs throughout the period as the economy continued to make progress with vaccinations rolling out across the developed world. The cyclically exposed TSX Index outperformed most developed markets on a YTD basis. US equity returns were also strong; however, from a Canadian investor's perspective, they were impacted negatively by a falling US dollar relative to the loonie. Fixed income performance was mixed, with the first quarter seeing the worst selloff in bonds in decades, while the second quarter saw some stability return to fixed income performance despite a series of elevated inflation readings in both the US and Canada. From an asset allocation basis, the Portfolio Manager's decision to be overweight equities relative to the target level was positive given the lofty stock market returns, as was the underweight stance on bonds. However, within the equities, the above target US allocation was a drag on relative performance, given the aforementioned currency headwind. Cash was also a drag on overall performance, with an average allocation of just under 10% during the period. The Portfolio Manager notes that a significant amount of cash was deployed in May and June.

Revenues and Expenses
Revenues of the Pool amounted to $6.2 million from dividend and interest income from its holdings, realized gains of $13.5 million, and experienced unrealized appreciation in the value of its investments of $50.3 million. The Pool also incurred $6.7 million in management fees and operating expenses, and a $0.5 million foreign exchange loss on cash.

Realized gains on the sale of investments during the period are attributable to the following dispositions from the portfolio:

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gains (millions)
Cisco Systems	1.5 years	$ 11.9	$ 8.2	$ 3.7
Partial Distributions	n/a	$ 58.8	$ 49.0	$ 9.8
		$ 70.7	$ 57.2	$ 13.5

Recent Developments

Economic Conditions
A year ago had just concluded one of the worst periods in economic history, as COVID-19 lockdowns through the spring of 2020 had resulted in a sharp curtailment of activity across the globe. Subsequently, market sentiment as well as underlying corporate performance have been on an upswing since last November when the first COVID-19 vaccines were announced. Today, the economy sits at an important juncture, where many of the recent economic successes and indeed the reopening narrative are being called into question by the spread of the Delta variant, especially among vulnerable unvaccinated populations such as those in emerging markets and the US. While it remains to be seen how things evolve, there have been signs of unevenness in the current recovery even prior to the proliferation of the highly transmissible variant, highlighted by severe labour shortages alongside millions who continue to be out of work in both the US and Canada. The role of the government cannot be understated, with unprecedented fiscal stimulus clearly playing a huge role in stoking the current recovery while also causing distortions in the labour market due to the large segments of society who have become increasingly reliant on government transfers and subsidies.

With respect to inflation, the Portfolio Manager has seen various supply chain issues lead to shortages, while robust demand has resulted in a slew of rising prices across commodities. Yet, the bond market has been largely dismissive of rising CPI and PPI numbers, presumably due to the narrow breadth in current inflation data. The majority of categories that make up core CPI have been slowing relative to their pace from April this year, while the strongest gains have been concentrated in 'reopening' categories, with car rentals, used vehicles (in tight supply alongside surging rental fleet demand with new cars being unavailable due to an ongoing chip shortage) and airfares dominating.

Concurrent with the inflation data, the central banks have signaled that their unprecedented monetary support was on borrowed time. The Bank of Canada began winding down many of its COVID induced open market operations in the second quarter of 2021. In the US, a much-awaited Federal Open Market Committee meeting in mid-June culminated in a pull-forward of rate hike expectations, with a consensus among the committee's voting members that we would see at least two hikes by the end of 2023, while some 'hawkish' members called for hikes as early as the second half of 2022. Despite these developments, we have seen long bond yields fall considerably over the summer, indicating that either the Delta variant is taking precedence as a risk factor, or, more concerningly, the bond market may be signaling a potential policy error by central banks.

Meanwhile, corporate earnings have been robust recently, with a higher-than-normal percentage of 'beats' vs. consensus estimates, as well as a larger magnitude of outperformance relative to expectations. It would appear that the consumer is in good shape, but this recovery is certainly not universal as those who have been impacted by COVID—such as workers in the leisure and hospitality segments—remain in difficult circumstances.

While the economy has been healing quicker than originally forecast as vaccinations continue across developed markets, we remain acutely aware of risks including the rising inflationary narrative as well as the emergence of more virulent variants of COVID. We note that the Pool's diverse positioning should allow for continued participation in rising equity markets to the extent that this continues, while the surfeit of cash and short-term liquid holdings serves to reduce volatility and be available to take advantage of any potential market pullbacks going forward. The Portfolio Manager continues to adhere to its core principles and investment philosophy, preferring process over emotion as one navigates these uncharted waters. The Portfolio Manager seeks to preserve capital first and foremost, looking to compound our clients' wealth over time.

Portfolio Allocation

Canadian Equities	43.6%	Corporate Bonds	7.0%
US Equities	31.0%	Offshore Equities	0.7%
Government Bonds	12.0%	Other Net Assets	-1.8%
Cash & Equivalents	7.5%		

Sector Allocation

Banks	13.2%	Food and Staples Retailing	3.0%
Government Bonds	12.0%	Technology, Hardware & Equipment	2.8%
Diversified Financials	10.3%	Pharmaceuticals & Biotechnology	2.5%
Software and Services	10.1%	Food, Beverage and Tobacco	2.2%
Cash & Equivalents	7.5%	Energy	2.1%
Corporate Bonds	7.0%	Commercial and Professional Services	2.0%
Transportation	6.0%	Consumer Durables and Apparel	2.0%
Media and Entertainment	4.6%	Consumer Services	1.7%
Health Care Equipment and Services	3.4%	Materials	1.4%
Retailing	3.2%	Telecommunication Services	1.0%
Capital Goods	3.1%	Insurance	0.7%
		Other Net Assets	-1.8%

Top 25 Holdings

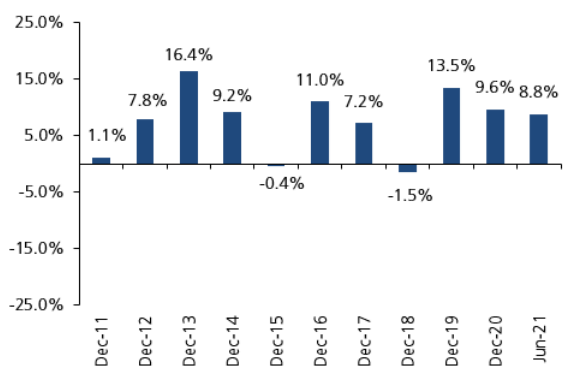
Issuer	Percentage of Net Assets
Cash & Equivalents	7.5%
Alphabet Inc., Class A	4.6%
Berkshire Hathaway Inc., Class B	4.4%
Visa Inc.	4.4%
The Toronto-Dominion Bank	4.4%
The Bank of Nova Scotia	4.0%
Royal Bank of Canada	3.8%
Microsoft Corporation	3.4%
Dollarama Inc.	3.2%
Canadian National Railway Company	3.2%
Alimentation Couche-Tard Inc., Class B	3.0%
TFI International Inc.	2.9%
Apple Inc.	2.8%
Thermo Fisher Scientific Inc.	2.5%
Brookfield Asset Management Inc.	2.4%
Oracle Corporation	2.3%
Becton, Dickinson and Company	2.2%
Thomson Reuters Corporation	2.0%
Gildan Activewear Inc.	2.0%
Element Fleet Management Corp.	1.8%
MTY Food Group Inc.	1.7%
Intercontinental Exchange, Inc.	1.7%
Roper Technologies, Inc.	1.6%
Badger Infrastructure Solutions Ltd.	1.5%
Saputo Inc.	1.5%
Total	**74.8%**

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.

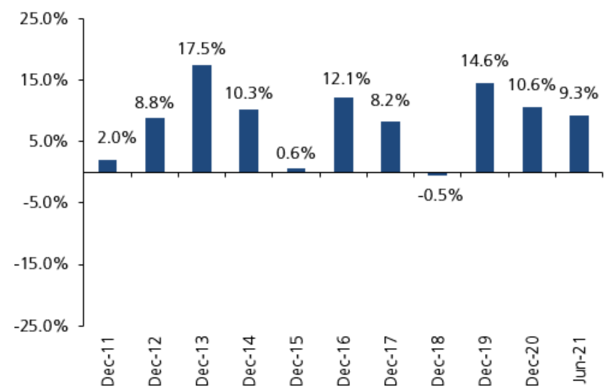
Past Performance
The historical performance information shown below assumes that all distributions were reinvested in the Pool and does not account for any sales, redemptions, distributions or optional charges or income taxes payable by an investor that would have reduced returns. Mutual fund returns 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 six-month period ended June 30, 2021, 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.

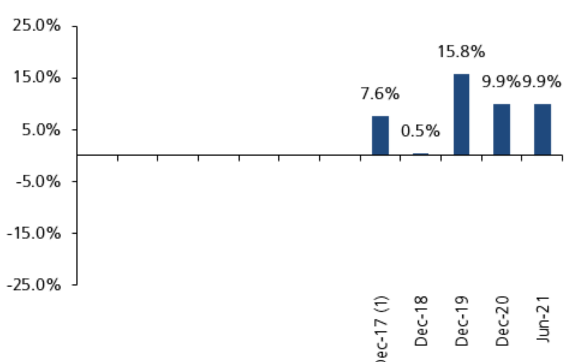
Series A



Series F



Series O



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

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 six-months ended June 30, 2021, 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 six-month period ended June 30, 2021, the Pool paid $6.0 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 31,629 Series F units of the Pool as of June 30, 2021.

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 and the six-month period ended June 30, 2021. *This information is derived from the Pool's audited annual financial statements and interim unaudited 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	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net assets, beginning of period	**17.42**	**16.04**	**14.17**	**14.40**	**13.49**	**12.26**
Increase (decrease) from operations:						
Total revenue	0.14	0.35	0.36	0.35	0.36	0.38
Total expenses	(0.18)	(0.33)	(0.32)	(0.30)	(0.29)	(0.26)
Realized gains (losses) for the period	0.34	0.62	0.13	0.18	0.18	0.26
Unrealized gains (losses) for the period	1.24	0.98	1.68	(0.46)	0.72	0.98
Total increase (decrease) from operations (2)	**1.54**	**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	**18.95**	**17.42**	**16.04**	**14.17**	**14.40**	**13.49**

Series F	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net assets, beginning of period	**17.72**	**16.31**	**14.36**	**14.58**	**13.67**	**12.42**
Increase from operations:						
Total revenue	0.15	0.36	0.37	0.36	0.37	0.39
Total expenses	(0.10)	(0.18)	(0.17)	(0.17)	(0.16)	(0.15)
Realized gains (losses) for the period	0.34	0.65	0.12	0.18	0.19	0.24
Unrealized gains (losses) for the period	1.27	1.00	1.69	(0.55)	0.75	1.08
Total increase from operations (2)	**1.66**	**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	**19.37**	**17.72**	**16.31**	**14.36**	**14.58**	**13.67**

Financial Highlights (continued)

Series O(4)	**June 30 2021**	**December 31 2020**	**December 31 2019**	**December 31 2018**	**December 31 2017**
Net assets, beginning of period(4)	**12.91**	**11.86**	**10.40**	**10.53**	**10.00**
Increase from operations:					
Total revenue	0.11	0.25	0.27	0.26	0.14
Total expenses	-	-	(0.01)	(0.01)	-
Realized gains (losses) for the period	0.24	0.52	0.08	0.14	0.05
Unrealized gains (losses) for the period	0.94	0.79	1.27	(0.42)	(0.69)
Total decrease from operations (2)	**1.29**	**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	**14.18**	**12.91**	**11.86**	**10.40**	**10.53**

(1) This information is derived from the Pool's audited annual financial statements and from the interim unaudited financial statements for the current period ended June 30, 2021.
(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

Ratios and Supplemental Data

Series A	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total net asset value (000's) (1)	$660,795	$583,455	$473,503	$346,791	$322,602	$296,822
Number of units outstanding (000's) (1)	34,865	33,498	29,522	24,475	22,406	22,001
Management expense ratio (2)	1.96%	1.98%	1.99%	2.01%	2.00%	2.00%
Management expense ratio before waivers or absorptions	1.96%	1.98%	1.99%	2.01%	2.00%	2.00%
Trading expense ratio (3)	0.01%	0.02%	0.01%	0.00%	0.01%	0.01%
Portfolio turnover rate (4)	10.66%	31.83%	9.50%	3.39%	11.11%	12.76%
Net asset value per unit (1)	$18.95	$17.42	$16.04	$14.17	$14.40	$13.49

Series F	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total net asset value (000's) (1)	$100,427	$87,261	$64,539	$43,153	$28,143	$19,594
Number of units outstanding (000's) (1)	5,184	4,925	3,958	3,005	1,930	1,434
Management expense ratio (2)	1.03%	1.04%	1.04%	1.06%	1.05%	1.05%
Management expense ratio before waivers or absorptions	1.03%	1.04%	1.04%	1.06%	1.05%	1.05%
Trading expense ratio (3)	0.01%	0.02%	0.01%	0.00%	0.01%	0.01%
Portfolio turnover rate (4)	10.66%	31.83%	9.50%	3.39%	11.11%	12.76%
Net asset value per unit (1)	$19.37	$17.72	$16.31	$14.36	$14.58	$13.67

Series O	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) (1)	$16,765	$12,898	$7,787	$4,243	$1,083
Number of units outstanding (000's) (1)	1,182	999	657	408	103
Management expense ratio (2)	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.08%	0.09%	0.09%	0.11%	0.11%
Trading expense ratio (3)	0.01%	0.02%	0.01%	0.00%	0.01%
Portfolio turnover rate (4)	10.66%	31.83%	9.50%	3.39%	11.11%
Net asset value per unit (1)	$14.18	$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.

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 and principal distributor of the Pool. VPGI is 37.4% 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 June 30, 2021, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 18.8% and Class C1 shares representing 5.1% 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.