



VPI VALUE POOL

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

PATIENT CAPITAL MANAGEMENT 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 3J7, 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 REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Interim Management Discussion of Fund Performance

August 23, 2018

This 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, 2017, 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, 2017.

Results of Operations

Net assets of the Pool decreased by approximately \$19.6 million for the six-month period ended June 30, 2018. This decrease consisted of \$20.0 million of net redemptions offset by a \$0.4 million increase in net assets from operations. The increase in net assets from operations can be attributed to \$1.7 million of dividends and interest income and \$0.8 million of net realized gains on the sale of investments during the period offset by \$0.4 million of unrealized depreciation in the value of investments and \$1.7 million of management fees and operating expenses.

There were no changes made to the Pool's holdings during the six-month period.

As a result of these changes and market effects, there were some shifts in the portfolio allocation from the beginning of the year as indicated in the following table:

<i>Sector</i>	<i>Allocation Increase</i>	<i>Sector</i>	<i>Allocation Decrease</i>
Energy	2.6%	Cash	4.5%
Other Net Assets	1.2%		
Consumer Services	0.4%		

Each series of the Pool experienced returns in the range of 0.1% to 1.3% for the period as compared to a 1.9% return for the S&P/TSX Composite Total Return Index and 7.8% return for the S&P 500 Total Return Index (C\$). The Pool lagged the S&P/TSX Composite Total Return Index due to its large cash balances. The historically low return on the T-Bills held by the Pool continues to be a drag on the Pool's performance. The Pool's performance was aided by the increase in the value of its energy holdings during the first half of 2018 as they rebounded off historical lows. The appreciation of the U.S. dollar relative to the Canadian dollar increased the value of the Pool's U.S. investments in Canadian Dollar terms. For the period ended June 30, 2018 the S&P 500's performance continued to be largely driven by a small number of technology stocks. The share prices of these businesses have and continue to trade at extraordinary valuations. The Portfolio Manager believes that these valuations along with historically high aggregate market valuations pose a significant risk for the permanent loss of capital.

The Portfolio Manager will hold significant cash and short-term debt instruments in adverse market conditions while waiting for investment opportunities that meet its stringent criteria. As a result, the probability of the permanent loss of capital for the Pool is expected to be substantially less than its relevant benchmarks in the event of a severe market correction.

Revenues and Expenses

Revenues of the Pool amounted to \$1.7 million, representing interest and dividend income from its holdings. The Pool also incurred \$1.7 million in management fees and operating expenses, realized a gain of \$0.8 million on the disposal of investments and experienced \$0.4 million in unrealized depreciation in the value of its investments during the period.



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Revenues and Expenses (continued)

Realized gains on the sale of investments during the period are attributable to partial dispositions from the portfolio, as indicated in the following table:

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain (millions)
Partial Dispositions	n/a	\$ 1.9	\$ 1.1	\$ 0.8

Recent Developments

Economic Conditions

North American equity markets posted positive returns during the first six months of 2018. As of June 30, 2018, the year-to-date performance for the S&P/TSX Total Return Index and S&P 500 Total Return Index (C\$) was 1.9% and 7.8% respectively. The Canadian market's return was aided by the energy sector as share prices rebounded from 2017's historical lows. The anticipation of higher interest rates resulted in declines for the interest sensitive bank and utilities sectors. The Canadian market was also held back by concerns over the imposition of tariffs on Canadian goods and stalled negotiations over the North American Free Trade Agreement. The U.S. market's Canadian dollar returns were positively impacted by the appreciation of the American dollar relative to the Canadian dollar. A small number of high tech companies continued to contribute a significant percentage of the S&P 500 total return.

The U.S. economy performed strongly during the first half of 2018. There was positive news on the employment front as the unemployment rate fell to historical lows and personal wages grew for the first time in several years. The trade imbalance also improved sharply and reported retail sales came in well above expectations. GDP growth in the second half of 2018 is expected to grow in the three to four per cent range. Recent trends in manufacturing, inventory buildup, personal income and retail sales all point to continued economic strength. Recent tax reform in the U.S. is also expected to give the economy a boost. While optimism is high in most quarters there are some looming concerns. Higher oil prices may impact consumer spending while the developing trade wars with China, the European Union, Canada and Mexico may put a damper on economic growth. The Canadian economy performed unevenly during the first half of 2018. The main concern hanging over Canada's future economic performance is future trade relations with the U.S. as the Trump administration imposes tariffs on its trading partners and the NAFTA negotiations are stalled.

The Portfolio Manager views both the U.S. and Canadian equity markets in general, as overvalued and posing a significant amount of risk. The Portfolio Manager believes that valuation parameters are at high levels and that the risk of a significant correction is high. The energy and U.S. retail sectors continue to show value.

The Portfolio Manager views long-term government bonds as risky in today's environment. With global interest rates on the rise from all-time lows widespread losses are likely to occur in fixed income markets.

The VPI Value Pool has large cash balances and is well positioned to take advantage of any opportunities that may arise. Over the long term, the Portfolio Manager's focus on purchasing quality companies at very attractive valuations will hold the Pool in good stead. The Portfolio Manager continues to diligently search for excellent long-term opportunities that meet its criteria for value and quality.



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Summary of Investment Portfolio

As at June 30, 2018

Portfolio Allocation

Cash & Equivalents	59.2%	US Equities	7.2%
Canadian Equities	32.4%	Other Net Assets	1.2%

Sector Allocation

Cash & Equivalents	59.2%	Consumer Services	4.2%
Energy	25.6%	Retailing	3.0%
Banks	6.8%	Other Net Assets	1.2%

Top 25 Holdings

Issuer	Maturity Date	Percentage of Net Assets
Canada Treasury Bills	09-Aug-18	57.6%
Canadian Natural Resources		8.8%
Encana Corporation		6.7%
Cenovus Energy Inc.		5.3%
Ensign Energy Services Inc.		4.8%
Speedway Motorsports Inc.		4.2%
Bank of Nova Scotia		3.7%
Canadian Imperial Bank of Commerce		3.1%
Bed Bath & Beyond		3.0%
Cash		1.6%
Other Net Assets		1.2%
Total		100.0%

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.



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

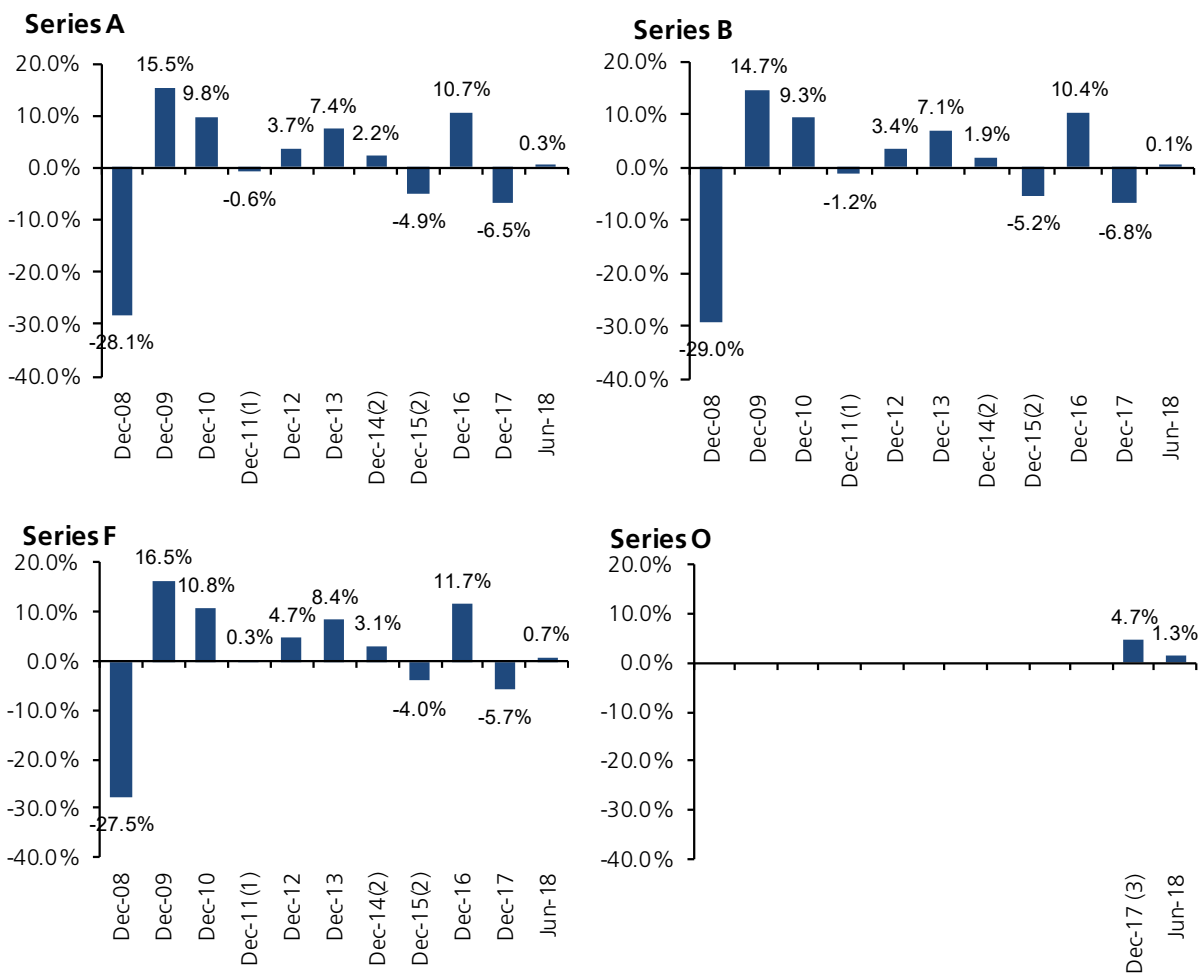
VPI VALUE POOL

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 Return

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2018, 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.



(1) Patient Capital Management was appointed portfolio manager of the Pool on November 1, 2011.

(2) The Pool was capped to new investments from June 30, 2014 to November 2, 2015.

(3) 2017 return is since inception on July 5, 2018.



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Management Fees

The Pool pays an annual management fee on each of its series to 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, 2018, approximately 40% 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 16% 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 ("Manager") of the Pool and is responsible for the overall business and operations of the Pool. For the six-month period ended June 30, 2018, the Pool paid \$1.4 million in management fees (excluding taxes) to the Manager. In addition, the Manager or parent company of the Manager also held 40,314 Series F units of the Pool as of June 30, 2018.

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, 2018. 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 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Net assets, beginning of period	9.60	10.28	9.51	10.11	10.15	9.45
Increase (decrease) from operations:						
Total revenue	0.09	0.14	0.15	0.17	0.14	0.13
Total expenses	(0.10)	(0.20)	(0.20)	(0.21)	(0.22)	(0.20)
Realized gains for the period	0.04	0.08	0.45	0.24	0.49	0.11
Unrealized gains (losses) for the period	(0.02)	(0.72)	0.62	(0.67)	(0.20)	0.62
Total increase (decrease) from operations ⁽²⁾	0.01	(0.70)	1.02	(0.47)	0.21	0.66
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.26)	(0.09)	(0.26)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.26)	(0.09)	(0.26)	-
Net assets, end of period	9.63	9.60	10.28	9.51	10.11	10.15



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Financial Highlights (continued)

Series B	June 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Net assets, beginning of period	9.33	10.01	9.23	9.73	9.75	9.11
Increase (decrease) from operations:						
Total revenue	0.08	0.13	0.15	0.16	0.13	0.12
Total expenses	(0.11)	(0.22)	(0.22)	(0.23)	(0.23)	(0.22)
Realized gains for the period	0.04	0.09	0.39	0.24	0.47	0.11
Unrealized gains (losses) for the period	(0.04)	(0.76)	0.54	(0.62)	(0.19)	0.60
Total increase (decrease) from operations ⁽²⁾	(0.03)	(0.76)	0.86	(0.45)	0.18	0.61
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.18)	-	(0.21)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.18)	-	(0.21)	-
Net assets, end of period	9.34	9.33	10.01	9.23	9.73	9.75

Series F	June 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Net assets, beginning of period	10.22	10.83	9.97	10.62	10.74	9.91
Increase (decrease) from operations:						
Total revenue	0.10	0.15	0.17	0.18	0.14	0.13
Total expenses	(0.06)	(0.12)	(0.12)	(0.12)	(0.13)	(0.12)
Realized gains for the period	0.05	0.06	0.50	0.23	0.50	0.11
Unrealized gains (losses) for the period	(0.02)	(0.72)	0.72	(0.71)	(0.20)	0.68
Total increase (decrease) from operations ⁽²⁾	0.07	(0.63)	1.27	(0.42)	0.31	0.80
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.31)	(0.22)	(0.45)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.31)	(0.22)	(0.45)	-
Net assets, end of period	10.30	10.22	10.83	9.97	10.62	10.74



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Financial Highlights (continued)

Series O	June 30 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	10.47	10.00
Increase (decrease) from operations:		
Total revenue	0.10	0.35
Total expenses	-	-
Realized gains for the period	0.05	-
Unrealized gains (losses) for the period	(0.12)	(0.06)
Total increase (decrease) from operations⁽²⁾	0.03	0.29
Distributions:		
From net investment income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions⁽³⁾	-	-
Net assets, end of period	10.61	10.47

(1) This information is derived from the Pool's audited annual financial statements and from the unaudited financial report for the current period ended June 30, 2018.

(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 for Series O units is July 5, 2017.

Ratios and Supplemental Data

Series A	June 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Total net asset value (000's) ⁽¹⁾	\$123,406	\$138,250	\$158,171	\$144,424	\$188,529	\$189,850
Number of units outstanding (000's) ⁽¹⁾	12,813	14,394	15,391	15,179	18,654	18,706
Management expense ratio ⁽²⁾	2.10%	2.06%	2.05%	2.05%	2.05%	2.07%
Management expense ratio before waivers or absorptions	2.10%	2.06%	2.05%	2.05%	2.05%	2.07%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	0.14%	2.54%	10.45%	20.28%	26.22%	10.51%
Net asset value per unit ⁽¹⁾	\$9.63	\$9.60	\$10.28	\$9.51	\$10.11	\$10.15



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Ratios and Supplemental Data (continued)

Series B	June 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Total net asset value (000's) ⁽¹⁾	\$8,475	\$10,728	\$16,601	\$20,254	\$32,094	\$30,114
Number of units outstanding (000's) ⁽¹⁾	907	1,150	1,659	2,195	3,298	3,087
Management expense ratio ⁽²⁾	2.38%	2.32%	2.30%	2.29%	2.28%	2.29%
Management expense ratio before waivers or absorptions	2.38%	2.32%	2.30%	2.29%	2.28%	2.29%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	0.14%	2.54%	10.45%	20.28%	26.22%	10.51%
Net asset value per unit ⁽¹⁾	\$9.34	\$9.33	\$10.01	\$9.23	\$9.73	\$9.75

Series F	June 30 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014	December 31 2013
Total net asset value (000's) ⁽¹⁾	\$34,096	\$38,060	\$30,505	\$19,808	\$20,715	\$10,703
Number of units outstanding (000's) ⁽¹⁾	3,312	3,724	2,816	1,986	1,950	996
Management expense ratio ⁽²⁾	1.18%	1.14%	1.13%	1.13%	1.11%	1.11%
Management expense ratio before waivers or absorptions	1.18%	1.14%	1.13%	1.13%	1.11%	1.11%
Trading expense ratio ⁽³⁾	0.00%	0.00%	0.00%	0.02%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	0.14%	2.54%	10.45%	20.28%	26.22%	10.51%
Net asset value per unit ⁽¹⁾	\$10.30	\$10.22	\$10.83	\$9.97	\$10.62	\$10.74

Series O	June 30 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$2,212	\$785
Number of units outstanding (000's) ⁽¹⁾	209	75
Management expense ratio ⁽²⁾	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.19%	0.16%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	0.14%	2.54%
Net asset value per unit ⁽¹⁾	\$10.61	\$10.47

(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.



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2018

VPI VALUE POOL

Other Information

As at June 30, 2018, Value Partners Group Inc. (VPGI) owns 100 percent of the Manager. VPGI is 37.5 percent owned by Longton Ltd., whose shareholders include specified members of the Lawton family, including one director/officer of the Manager. Certain of the directors, officers and shareholders of VPGI are also shareholders and sales representatives of Lawton Partners Financial Planning Services Limited, a mutual fund dealer.

As of June 30, 2018, sales representatives of Lawton Partners Financial Planning Services Limited hold, in aggregate, Class A1 shares of VPGI representing 16.9 percent of the common equity and Class C1 shares representing 6.2 percent of the common equity. The remaining common equity of VPGI was held by sales representatives of other dealer firms and employees of the Manager. No sales representative held more than 5 percent of the common equity of the Manager. Additional information regarding equity interests may be obtained from the Pool's annual information form or from the Manager's website at 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.