



**VALUE
PARTNERS**
INVESTMENTS

VPI DIVIDEND GROWTH POOL

**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

BRISTOL GATE CAPITAL PARTNERS 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.



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Interim Management Discussion of Fund Performance

August 20, 2020

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, 2019, 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, 2019.

Results of Operations

Net assets of the Pool increased by approximately \$57.8 million for the six-month period ended June 30, 2020 due to \$58.1 million of net sales and a \$0.3 million decrease in net assets from operations. The decrease in net assets from operations was due to \$3.4 million of net realized losses, a \$0.2 million foreign exchange loss on cash and \$0.4 million in management fees and operating expenses. This was offset by \$3.3 million of unrealized appreciation in the value of investments and \$0.4 million in dividend and interest income.

The first half of the year saw an unusual amount of trading activity, driven by the effects of Covid-19. The following table summarizes the businesses that were added and/or removed from the portfolio:

<i>Additions</i>	<i>Dispositions</i>
Activision Blizzard, Inc.	Bank of America
CME Group Inc	Boeing Company
Dollar General Corporation	Estee Lauder Companies
Microsoft Corporation	Ross Stores Inc.
Moody's Corporation	Southwest Airlines Co.

The Portfolio Manager believes the companies added to the Pool have attractive dividend growth prospects with a high probability of sustainability even if an additional wave of Covid re-emerges. Virtually all new additions saw an uptick in business activity during the first wave of the virus, providing an element of downside protection if a second wave comes. Yet, each business has the opportunity to participate in any recovery given the secular drivers in their respective businesses.

The additions are consistent with the Portfolio Manager's goal of using the volatility in the markets to upgrade the portfolio and find attractive, sustainable dividend growth in an environment where the overall market's dividend growth expectations are negative for the coming year.

As a result of these decisions, changes in market values and cashflows during the period, there were some notable 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>
Diversified Financials	8.8%	Banks	4.7%
Software & Services	4.7%	Household & Personal Products	4.6%
Media & Entertainment	4.3%	Transportation	4.1%
		Capital Goods	3.8%

The Pool's net assets increased by CAD\$57.8 million since the end of 2019, to CAD\$74.0 million as of June 30, 2020. The increase was primarily due to net sales.

The Pool was down 3.1% year to date in Canadian dollars, lagging of the S&P 500 Total Return Index (the "Index") by 4.9%. Index returns were largely driven by the Information Technology sector and large cap tech stocks. Many of these companies do not pay a dividend, which effectively excludes them from the Portfolio Manager's investable universe.



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Revenues and Expenses

Revenues of the Pool for the year included \$0.4 million of dividend and interest income. Management fees and operating expenses incurred during the period were \$0.4 million as well, along with a \$0.2 million foreign exchange loss on cash.

The realized loss on sale of investments of \$3.4 million is attributable to five full dispositions as well as several partial dispositions of shares from the portfolio during the year. Dividends received from each of these holdings while in the Pool are in addition to these losses.

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain (Loss) (millions)
Bank of America	0.4 years	\$ 2.0	\$ 2.6	\$ (0.6)
Boeing Company	0.4 years	0.8	1.9	(1.1)
Estee Lauder Companies	0.6 years	3.1	3.2	(0.1)
Ross Stores Inc.	0.6 years	3.1	3.7	(0.6)
Southwest Airlines Co.	0.4 years	1.2	2.0	(0.8)
Partial Dispositions	n/a	5.0	5.2	(0.2)
		\$15.2	\$ 18.6	\$ (3.4)

Further to these realized losses, the Pool also experienced \$3.3 million of unrealized appreciation in the value of its investments during the period.

Recent Developments

Economic Conditions

In January 2020, the World Health Organization declared the coronavirus a global health emergency and in March 2020, a global pandemic. In order to contain the spread of the virus, governments and organizations globally implemented quarantines, curtailed the gathering of large groups of people and temporarily shut down business operations, among other measures, negatively impacting the supply and demand of goods and services.

Stock markets around the world reacted with rapid and significant declines in the first quarter, posting their largest drawdowns since the global financial crisis. In response, many governments enacted significant stimulus packages to support local economies, driving benchmark interest rates to record lows in the process.

While the economy is showing early signs of recovery with the gradual loosening of quarantine measures, stock markets have had a surprisingly strong bounce, in no small part due to the substantial fiscal and monetary stimulus unleashed by central banks and governments around the world. The US Federal Reserve currently has no plans to raise rates until at least 2022, with other major central banks even further out.

Lower rates for longer periods, ongoing uncertainty leading to significant dividend cuts across sectors that typically offer decent dividend yields, and investor expectations for future dividend payments from S&P 500 companies to remain flat from 2019 levels to the end of the decade will make generating income from traditional approaches more difficult. In such an environment, companies that can sustainably grow their dividends at attractive rates should be well positioned to see growing investor interest.

The Portfolio Manager's investment process, focused on identifying high quality businesses at reasonable valuations with strong balance sheets and growing cash flows to support high dividend growth should continue to help them achieve their long term goal of strong returns in a range of economic outcomes and the financial flexibility offered by such businesses will provide fundamental stability and capital preservation when waters get rough again.



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Portfolio Allocation

US Equities	93.7%	Other Net Assets	-0.1%
Offshore Equities	4.6%		
Cash	1.8%		

Sector Allocation

Software Services	22.4%	Pharmaceuticals Biotechnology and Life Sciences	4.5%
Healthcare, Equipment & Services	9.0%	Commercial and Professional Services	4.5%
Semiconductors & Semiconductor Equipment	9.0%	Real Estate	4.5%
Capital Goods	9.0%	Food, Beverage and Tobacco	4.5%
Retailing	8.9%	Consumer Services	4.4%
Diversified Financials	8.8%	Media and Entertainment	4.3%
Materials	4.5%	Cash	1.8%
		Other Net Assets	-0.1%

Top 25 Holdings

Issuer	Percentage of Net Assets
Allegion plc	4.6%
Moody's Corporation	4.6%
American Tower Corporation (REIT), Class A	4.5%
Broadcom Inc.	4.5%
Broadridge Financial Solutions, Inc.	4.5%
Cintas Corporation	4.5%
Danaher Corporation	4.5%
Intuit Inc.	4.5%
Microsoft Corporation	4.5%
Texas Instruments Incorporated	4.5%
The Home Depot, Inc.	4.5%
The Sherwin-Williams Company	4.5%
Tyson Foods, Inc.	4.5%
UnitedHealth Group Incorporated	4.5%
Zoetis Inc.	4.5%
Dollar General Corporation	4.4%
Mastercard Incorporated	4.4%
Roper Technologies, Inc.	4.4%
Starbucks Corporation	4.4%
Visa Inc.	4.4%
Activision Blizzard, Inc.	4.3%
CME Group Inc.	4.3%
Cash	1.8%
Other Net Assets	-0.1%
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.



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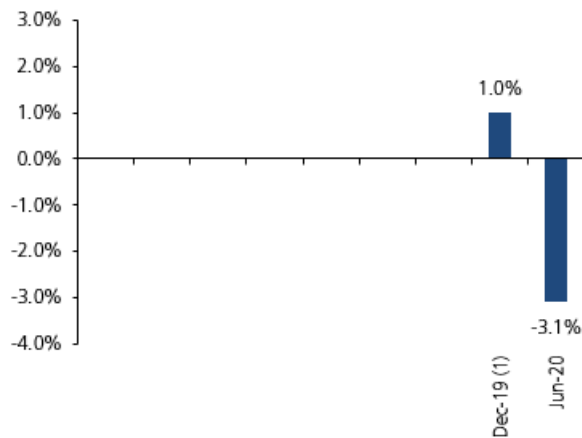
Past Performance

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.

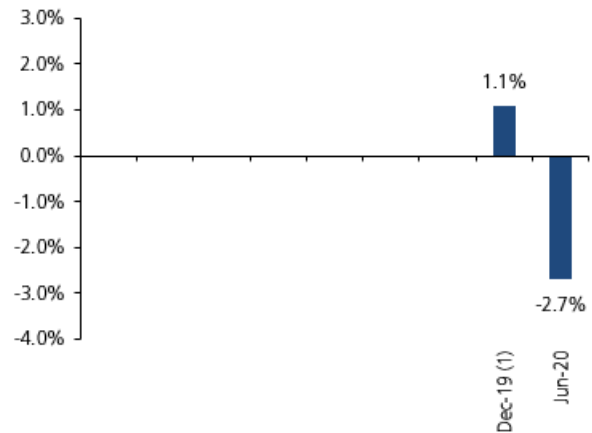
Year-by-Year Returns

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

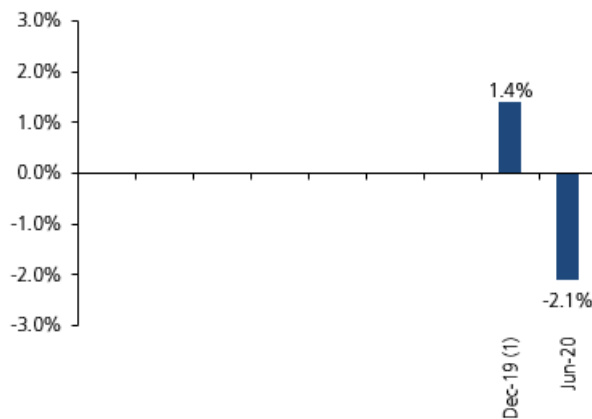
Series A



Series F



Series O



(1) 2019 return is since inception on November 6, 2019.



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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 six-months ended June 30, 2020, approximately 38% 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 19% 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, 2020, the Pool paid \$0.3 million in management fees (excluding taxes) to the Manager. In addition, the Manager also held 1 Series A unit, 50,155 Series F units of the Pool and 1 Series O unit of the Pool as of June 30, 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 year-ended December 31, 2019 and the six-month period ended June 30, 2020. *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 ⁽⁴⁾	June 30 2020	December 31 2019
Net assets, beginning of period ⁽⁴⁾	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.03	-
Total expenses	(0.12)	(0.04)
Realized gains (losses) for the period	(0.69)	-
Unrealized gains (losses) for the period	0.65	0.01
Total increase (decrease) from operations ⁽²⁾	(0.13)	(0.03)
Distributions:		
From net investment income (excluding dividends)	-	(0.01)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions ⁽³⁾	-	(0.01)
Net assets, end of period	9.78	10.10



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Financial Highlights (continued)

Series F ⁽⁴⁾	June 30 2020	December 31 2019
Net assets, beginning of period⁽⁴⁾	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.03	(0.01)
Total expenses	(0.08)	(0.03)
Realized gains (losses) for the period	(0.70)	-
Unrealized gains (losses) for the period	0.68	0.11
Total increase (decrease) from operations⁽²⁾	(0.07)	0.07
Distributions:		
From net investment income (excluding dividends)	-	(0.02)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions⁽³⁾	-	(0.02)
Net assets, end of period	9.82	10.10

Series O ⁽⁴⁾	June 30 2020	December 31 2019
Net assets, beginning of period⁽⁴⁾	10.13	10.00
Increase (decrease) from operations:		
Total revenue	0.03	0.01
Total expenses	-	(0.01)
Realized gains (losses) for the period	(0.59)	-
Unrealized gains (losses) for the period	0.76	0.01
Total increase (decrease) from operations⁽²⁾	0.20	0.01
Distributions:		
From net investment income (excluding dividends)	-	(0.01)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions⁽³⁾	-	(0.01)
Net assets, end of period	9.92	10.13

(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, 2020.

(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) The Pool began operations on November 6, 2019.



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Ratios and Supplemental Data

Series A	June 30 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$45,162	\$9,175
Number of units outstanding (000's) ⁽¹⁾	4,618	909
Management expense ratio ⁽²⁾	2.25%	2.25%
Management expense ratio before waivers or absorptions	2.39%	4.04%
Trading expense ratio ⁽³⁾	0.03%	0.01%
Portfolio turnover rate ⁽⁴⁾	33.60%	4.21%
Net asset value per unit ⁽¹⁾	\$9.78	\$10.10

Series F	June 30 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$15,993	\$4,827
Number of units outstanding (000's) ⁽¹⁾	1,628	478
Management expense ratio ⁽²⁾	1.35%	1.35%
Management expense ratio before waivers or absorptions	1.47%	3.88%
Trading expense ratio ⁽³⁾	0.03%	0.01%
Portfolio turnover rate ⁽⁴⁾	33.60%	4.21%
Net asset value per unit ⁽¹⁾	\$9.82	\$10.10

Series O	June 30 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$12,886	\$2,278
Number of units outstanding (000's) ⁽¹⁾	1,299	225
Management expense ratio ⁽²⁾	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.49%	1.96%
Trading expense ratio ⁽³⁾	0.03%	0.01%
Portfolio turnover rate ⁽⁴⁾	33.60%	4.21%
Net asset value per unit ⁽¹⁾	\$9.92	\$10.13

(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.



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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 37.4% 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, 2020, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 18.3% 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.