



**VALUE
PARTNERS**
INVESTMENTS

VPI FOREIGN EQUITY POOL

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

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

VALUE PARTNERS INVESTMENTS 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 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 for the Pool decreased by approximately \$81.8 million for the six-month period ended June 30, 2020. This decrease was due to net redemptions of \$27.8 and a \$54.0 million decrease in net assets from operations. The decrease in net assets from operations was due to \$48.8 million net realized losses on sale of investments, \$8.4 million of unrealized depreciation in the value of investments, and \$2.6 million of management fees and operating expenses. This was offset by \$3.0 million of dividend income, \$0.2 million of interest income and a \$2.6 million foreign exchange gain on cash.

In June 2020, Value Partners Investments Inc. assumed portfolio management responsibilities for the Pool. As a result, there were significant changes in holdings near the end of the period.

This resulted in some significant 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>
Cash & Equivalents	19.6%	Energy	10.5%
Pharmaceuticals, Biotechnology and Life Sciences	4.9%	Banks	8.5%
Semiconductors & Semiconductor Equipment	4.6%	Retailing	5.5%
Software & Services	2.6%	Insurance	5.0%
Consumer Durables & Apparel	2.3%	Media & Entertainment	4.3%
Food, Beverage & Tobacco	2.0%	Capital Goods	2.9%
Telecommunication Services	1.8%	Automobiles & Components	2.9%
Diversified Financials	1.7%	Healthcare Equipment & Services	2.7%
Technology Hardware & Equipment	1.5%		
Materials	1.3%		
Food & Staples Retailing	0.2%		

Each series of the Pool experienced losses in the range of -20.3% to -21.1% for the period as compared to a 1.8% return for the S&P 500 Total Return Index (C\$). The Pool lagged the S&P 500 Total Return Index due to its overweight positions in the energy, retail and financial sectors. These sectors underperformed the S&P 500 Index significantly during the market correction that took place in February and March. The Pool was also underweight in the technology sector, which was the best performing sector in the first half of 2020.



Revenues and Expenses

Revenues of the Pool amounted to \$3.2 million for the period, which can be attributed primarily to dividend income from its holdings. The Pool also experienced foreign exchange gains on cash of \$2.6 million.

Upon assuming portfolio management responsibility of the Pool, many of the securities previously held in the Pool were disposed of as the new Portfolio Manager began transitioning to its selected securities. There was a realized loss of \$48.8 million for the period.

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain/(Loss) (millions)
Bed Bath & Beyond Inc.	5.9 years	\$ 2.9	\$ 6.2	\$ (3.3)
Berkshire Hathaway, Class B	8.7 years	\$ 8.7	\$ 9.0	\$ (0.3)
Canadian Imperial Bank of Commerce	4.5 years	\$ 12.7	\$ 13.0	\$ (0.3)
Cenovus Energy Inc.	5.1 years	\$ 6.3	\$ 9.1	\$ (2.8)
CVS Health Corp.	3.5 years	\$ 14.3	\$ 16.1	\$ (1.8)
Diageo PLC	0.3 years	\$ 2.1	\$ 1.7	\$ 0.4
General Dynamics Corp.	8.6 years	\$ 6.2	\$ 5.6	\$ 0.6
International Business Machines Corporation	1.3 years	\$ 1.9	\$ 1.8	\$ 0.1
Linamar	1.5 years	\$ 3.3	\$ 3.9	\$ (0.6)
Loews Corporation	5.8 years	\$ 3.3	\$ 3.9	\$ (0.6)
Macy's Inc.	4.3 years	\$ 3.5	\$ 18.4	\$ (14.9)
National Oilwell Varco Inc.	5.1 years	\$ 4.5	\$ 9.7	\$ (5.2)
Snap-On Inc.	2.7 years	\$ 16.0	\$ 16.3	\$ (0.3)
WPP PLC	2.3 years	\$ 10.1	\$ 19.0	\$ (8.9)
Treasury Bills	n/a	\$ 81.0	\$ 81.0	\$ -
Partial Dispositions	n/a	\$ 38.2	\$ 49.1	\$ (10.9)
		\$215.0	\$263.8	\$ (48.8)

Recent Developments

Economic Conditions

The World Health Organization declared the COVID-19 a global pandemic on March 12, 2020. The onset of the pandemic led to a rapid decline in global economic activity. This along with actions taken by Saudi Arabia and Russia led to a precipitous decline in global oil prices as supply far outstripped demand. Central Banks and government bodies around the world decreased policy rates dramatically and instituted some of the largest stimulus plans seen in history to support the economy. Declines across numerous economic indicators have led to preliminary declarations that major economies around the world, including Canada and the US, entered recessions in the first half of the year. The unemployment rate in Canada grew from 5.6% in January 2020 to 12.3% in June, after peaking at 13.7% in May. The U.S. had a similar experience with unemployment rates growing from 3.5% in January 2020 to 11.1% in June after peaking at 14.7% in April.

The scope of the recession is widespread and there remains a high level of uncertainty regarding the shape of the recovery. Government spending programs have been effective at helping contain the effects of the economic crisis, but consequences of such stimulus programs remain unknown. Meanwhile valuations across many sectors continue to escalate into increasingly risky territory. The Portfolio Manager believes there are good opportunities available in several industries; however, caution is essential given volatile economic and market conditions as well as escalating valuation risks. The Portfolio Manager will seek opportunities that meet the Pool's investment objectives.

Change in Portfolio Manager

Effective June 2020, Value Partners Investments Inc. assumed portfolio management responsibilities of the Pool.



VPI FOREIGN EQUITY POOL

Portfolio Allocation

Cash	39.4%	Canadian Equities	5.5%
US Equities	31.4%	Other Net Assets	-0.2%
Offshore Equities	23.9%		

Sector Allocation

Cash	39.4%	Food, Beverage & Tobacco	2.0%
Automobiles & Components	9.2%	Telecommunication Services	1.8%
Software & Services	8.9%	Diversified Financials	1.7%
Banks	8.6%	Retailing	1.6%
Pharmaceuticals, Biotechnology and Life Sciences	4.9%	Technology Hardware and Equipment	1.5%
Semiconductors & Semiconductor Equipment	4.6%	Media and Entertainment	1.4%
Energy	3.9%	Materials	1.3%
Capital Goods	3.7%	Food and Staples Retailing	0.2%
Healthcare, Equipment & Services	3.2%	Other Net Assets	-0.2%
Consumer Durables and Apparel	2.3%		

Top 25 Holdings

Issuer	Percentage of Net Assets
Cash	39.4%
Oracle Corporation	7.2%
Linamar Corporation	5.5%
Wells Fargo & Company	4.2%
Honda Motor Co. Ltd. - ADR	3.7%
TOTAL S.A. - ADR	3.1%
LVMH Moët Hennessy - Louis Vuitton Société Européenne - ADR	2.3%
Amgen Inc.	2.1%
JPMorgan Chase & Co.	2.1%
UnitedHealth Group Incorporated	1.9%
América Móvil, S.A.B. de C.V. - ADR	1.8%
Broadcom Inc.	1.8%
Visa Inc.	1.7%
UBS Group AG	1.7%
Taiwan Semiconductor Manufacturing Company Limited - ADR	1.7%
The Home Depot Inc.	1.6%
Roche Holding AG	1.6%
Honeywell International Inc.	1.6%
Cisco Systems, Inc.	1.5%
Comcast Corporation, Class A	1.4%
Medtronic plc	1.3%
U.S. Bancorp	1.3%
Nestlé S.A. - ADR	1.2%
Eli Lilly and Company	1.2%
Intel Corporation	1.1%
Total	94.0%

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



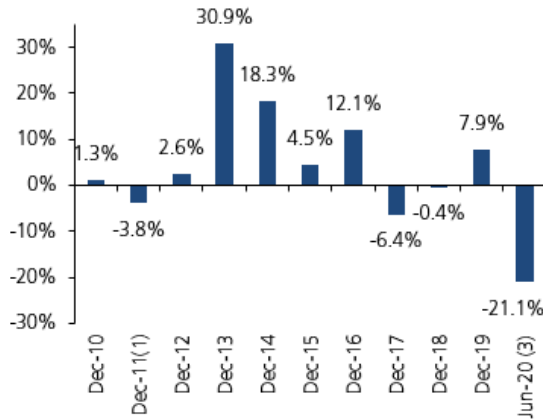
Past Performance

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.

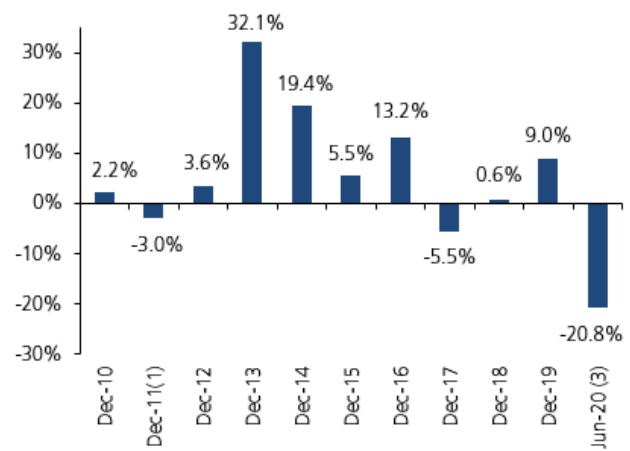
Year-by-Year Returns

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.

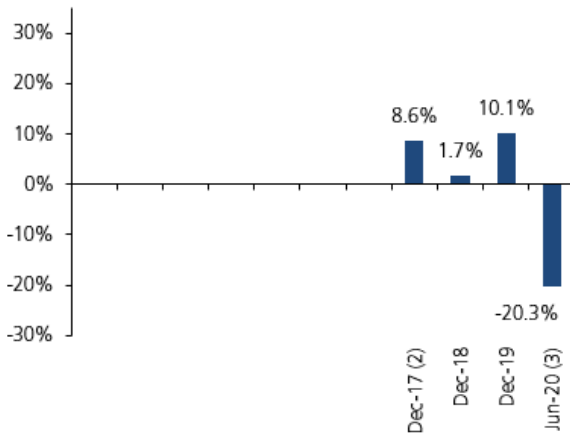
Series A



Series F



Series O



(1) Patient Capital Management Inc. assumed portfolio management responsibility of the Pool on November 1, 2011.

(2) 2017 return is since inception on July 5, 2017.

(3) Value Partners Investments Inc. assumed portfolio management responsibility of the Pool in June 2020.



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For the six-month period ended June 30, 2020

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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 41% 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 17% 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 \$1.7 million in management fees (excluding taxes) to the Manager.



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, 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	June 30 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015
Net assets, beginning of period	12.75	12.54	12.66	14.09	12.90	13.02
Increase (decrease) from operations:						
Total revenue	0.29	0.38	0.62	0.13	0.30	0.41
Total expenses	(0.14)	(0.31)	(0.32)	(0.30)	(0.29)	(0.32)
Realized gains (losses) for the period	(2.47)	0.57	(0.14)	0.74	0.38	0.96
Unrealized gains (losses) for the period	(0.46)	0.34	(0.25)	(1.41)	1.23	(0.60)
Total increase (decrease) from operations ⁽²⁾	(2.78)	0.98	(0.09)	(0.84)	1.62	0.45
Distributions:						
From net investment income (excluding dividends)	-	(0.04)	(0.06)	-	-	-
From dividends	-	(0.05)	(0.02)	-	-	-
From capital gains	-	(0.70)	-	(0.53)	(0.38)	(0.71)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.79)	(0.08)	(0.53)	(0.38)	(0.71)
Net assets, end of period	10.05	12.75	12.54	12.66	14.09	12.90

Series F	June 30 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015
Net assets, beginning of period	11.41	11.21	11.32	12.49	11.37	11.38
Increase (decrease) from operations:						
Total revenue	0.27	0.34	0.56	0.12	0.29	0.36
Total expenses	(0.08)	(0.16)	(0.17)	(0.16)	(0.15)	(0.17)
Realized gains (losses) for the period	(2.16)	0.52	(0.14)	0.65	0.34	0.79
Unrealized gains (losses) for the period	(0.54)	0.27	(0.25)	(1.09)	1.21	(0.65)
Total increase (decrease) from operations ⁽²⁾	(2.51)	0.97	0.00	(0.48)	1.69	0.33
Distributions:						
From net investment income (excluding dividends)	-	(0.07)	(0.14)	-	-	-
From dividends	-	(0.10)	(0.04)	-	(0.04)	-
From capital gains	-	(0.63)	-	(0.49)	(0.34)	(0.64)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.80)	(0.18)	(0.49)	(0.38)	(0.64)
Net assets, end of period	9.04	11.41	11.21	11.32	12.49	11.37



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Series O ⁽⁴⁾	June 30 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	9.93	9.75	9.85	10.00
Increase (decrease) from operations:				
Total revenue	0.26	0.28	0.49	0.30
Total expenses	(0.02)	(0.03)	-	-
Realized gains (losses) for the period	(2.83)	0.48	(0.24)	-
Unrealized gains (losses) for the period	1.86	0.34	0.23	1.70
Total increase (decrease) from operations⁽²⁾	(0.73)	1.07	0.48	2.00
Distributions:				
From net investment income (excluding dividends)	-	(0.11)	(0.20)	-
From dividends	-	(0.16)	-	0.56
From capital gains	-	(0.55)	(0.01)	0.46
Return of capital	-	-	-	-
Total annual distributions⁽³⁾	-	(0.82)	(0.21)	1.02
Net assets, end of period	7.91	9.93	9.75	9.85

(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) Inception date: July 5, 2017



Ratios and Supplemental Data

Series A	June 30 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015
Total net asset value (000's) ⁽¹⁾	\$154,484	\$225,082	\$211,303	\$197,108	\$184,946	\$151,563
Number of units outstanding (000's) ⁽¹⁾	15,383	17,657	16,852	15,567	13,127	11,748
Management expense ratio ⁽²⁾	2.08%	2.05%	2.05%	2.06%	2.06%	2.08%
Management expense ratio before waivers or absorptions	2.08%	2.05%	2.05%	2.06%	2.06%	2.08%
Trading expense ratio ⁽³⁾	0.17%	0.01%	0.04%	0.02%	0.01%	0.04%
Portfolio turnover rate ⁽⁴⁾	77.25%	5.40%	32.85%	22.39%	18.05%	36.35%
Net asset value per unit ⁽¹⁾	\$10.05	\$12.75	\$12.54	\$12.66	\$14.09	\$12.90

Series F	June 30 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015
Total net asset value (000's) ⁽¹⁾	\$27,499	\$42,631	\$40,472	\$34,974	\$25,464	\$17,100
Number of units outstanding (000's) ⁽¹⁾	3,045	3,736	3,612	3,089	2,038	1,504
Management expense ratio ⁽²⁾	1.13%	1.09%	1.10%	1.10%	1.10%	1.13%
Management expense ratio before waivers or absorptions	1.13%	1.09%	1.10%	1.10%	1.10%	1.13%
Trading expense ratio ⁽³⁾	0.17%	0.01%	0.04%	0.02%	0.01%	0.04%
Portfolio turnover rate ⁽⁴⁾	77.25%	5.40%	32.85%	22.39%	18.05%	36.35%
Net asset value per unit ⁽¹⁾	\$9.04	\$11.41	\$11.21	\$11.32	\$12.49	\$11.37

Series O	June 30 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$4,862	\$927	\$1,088	\$61
Number of units outstanding (000's) ⁽¹⁾	615	93	112	6
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.19%	0.16%	0.16%	0.14%
Trading expense ratio ⁽³⁾	0.17%	0.01%	0.04%	0.02%
Portfolio turnover rate ⁽⁴⁾	77.25%	5.40%	32.85%	22.39%
Net asset value per unit ⁽¹⁾	\$7.91	\$9.93	\$9.75	\$9.85

(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.