



**VALUE
PARTNERS**
INVESTMENTS

VPI VALUE 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 of the Pool decreased by approximately \$14.3 million for the six-month period ended June 30, 2020. This decrease consisted of \$5.2 million of net redemptions and a \$9.1 million decrease in net assets from operations. The decrease in net assets from operations can be attributed to \$4.3 million of unrealized depreciation in the value of investments, \$5.9 million of realized losses on the sale of investments, and \$0.8 million of management fees and operating expenses. This was offset by \$0.3 million of income from dividends and interest and a \$1.6 million foreign exchange gain on cash.

There were several changes made to the Pool's holdings which changed the allocation of the portfolio over the course of the period. The following table summarizes the businesses that were added or removed from the portfolio:

Additions	Dispositions
Alphabet Inc., Class A	ADT Inc.
Domino's Pizza Company PLC	Equity Commonwealth
Equity Commonwealth	Six Flags Entertainment
T-Mobile US Inc.	

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

Sector	Allocation Increase	Sector	Allocation Decrease
Telecommunication Services	4.3%	Commercial & Professional Services	5.4%
Cash & Equivalents	3.7%	Real Estate	5.0%
Consumer Services	2.3%	Insurance	0.7%
Media & Entertainment	1.3%	Diversified Financials	0.4%
Other Net Assets	0.2%	Retailing	0.3%

Each series of the Pool experienced losses in the range of -11.5% to -12.5% for the period as compared to a -7.5% loss for the S&P/TSX Composite Total Return Index and 1.8% return for the S&P 500 Total Return Index (C\$). The S&P/TSX performance was driven by the information technology and materials sectors while the performance of the S&P 500 continued to be largely driven by a small number of technology stocks. The share prices of the businesses driving index returns 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 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 \$0.3 million, representing interest and dividend income from its holdings. The Pool also incurred \$0.8 million in management fees and operating expenses, realized losses of \$5.9 million on the disposal of investments and experienced \$4.3 million in unrealized depreciation in the value of its investments during the period.

Realized losses on the sale of investments during the period are attributable to the following dispositions in the portfolio:

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gains (Losses) (millions)
ADT Inc.	0.5 years	\$ 5.1	\$ 5.9	\$ (0.8)
Equity Commonwealth	0.1 years	2.1	1.7	0.4
Six Flags Entertainment	0.3 years	1.9	5.0	(3.1)
Partial Dispositions	n/a	11.9	14.3	(2.4)
		\$ 21.0	\$ 26.9	\$ (5.9)

Recent Developments

Economic Conditions

North American markets experienced volatile returns in the first half of 2020. To start off the year, the market was strong as the economy was in great shape. During the first 50 days of the year, markets rose 4.8% to an all-time high. As news of COVID-19 hit in late February and March, investors panicked, sending markets down over 34% in a period of 33 days. Credit markets froze, causing the US Federal Reserve to act quickly by injecting over \$2 trillion in stimulus into the monetary system, lowering interest rates to zero and promising to backstop the economy. This caused a significant rally in equities, up over 39% from their March lows in the 99 days ended June 30, 2020. Initially investors were concerned about the growing number of cases of COVID-19, but as states opened, the cases grew, and the market was no longer as concerned. Some of the ambivalence is caused by a drop in case rate fatality and by hope of an eventual vaccine. Furthermore, with interest rates being as low as they are, investors are considering equity securities to generate income.

The virus caused the economy to shut down. This has not been done to this extent since World War 2. Certain businesses that were not deemed essential were ordered to shut down and citizens ordered to “shelter in place”. The US government granted expanded unemployment benefits to workers that were affected by the pandemic. During the first 6 months of the year the economy shrank by 6% year over year. The unemployment rate is at 11%, compared to an unemployment rate of 3.5% at the end of 2019. As cities have reopened, employment and growth have improved. However, there is still considerable uncertainty in what will happen in the back half of the year and into 2021. The current US economy is the most bifurcated in modern history. Certain companies (particularly large, publicly traded technology, ecommerce, and communications) have seen demand for their services increase significantly. They provide services that are tailored for a “work from home” environment. On the other hand, some sectors such as travel, hospitality and retail have seen their demand decrease significantly. These companies have more ownership by small entrepreneurs and may be forced to declare bankruptcy. There continues to be an elevated level of geopolitical strife around the globe. China and western nations continue to see their relations deteriorate. There is also an upcoming election in the United States in this year. The presumptive Democratic nominee, Joe Biden, has vowed to increase tax rates from 21% to 28%.

The Portfolio Manager views the U.S. equity markets in general as expensive and posing a significant amount of risk. The virus has caused significant harm to the economy, and it’s hard to estimate the extent of any second order effects. The market seems willing to look past the current problems, placing a 21x earnings multiple on 2021 earnings. The Portfolio Manager believes that the current valuations do not consider the significant risk of earnings degradation in the future. The Portfolio Manager will continue to stick to the strict criteria of quality businesses trading at reasonable prices.

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 the criteria for value and quality.



Portfolio Allocation

Cash	59.7%	Offshore Equities	5.5%
US Equities	31.2%	Canadian Equities	3.7%
		Other Net Assets	-0.1%

Sector Allocation

Cash	59.7%	Retailing	2.8%
Media and Entertainment	14.3%	Real Estate	1.8%
Diversified Financials	8.0%	Other Net Assets	-0.1%
Consumer Services	5.5%		
Telecommunication Services	4.3%		
Insurance	3.7%		

Top 25 Holdings

Issuer	Maturity Date	Percentage of Net Assets
Cash		59.7%
Berkshire Hathaway Inc., Class B		8.0%
Liberty Broadband Corporation		7.0%
Domino's Pizza Group plc		5.5%
T-Mobile US, Inc.		4.3%
Alphabet Inc., Class A		4.1%
Fairfax Financial Holdings Limited		3.7%
Liberty Media Corp - Liberty SiriusXM Group		3.2%
LKQ Corporation		2.8%
The Howard Hughes Corporation		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.



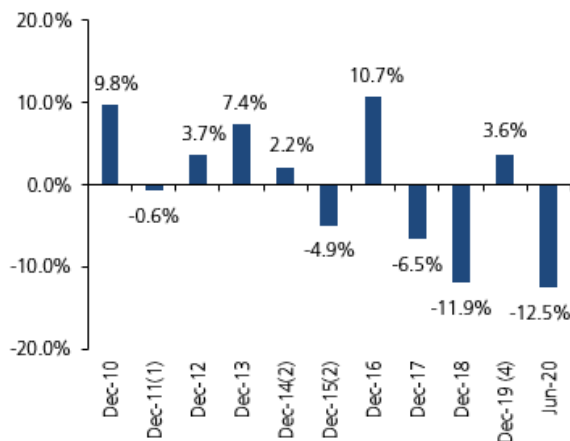
Past Performance

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.

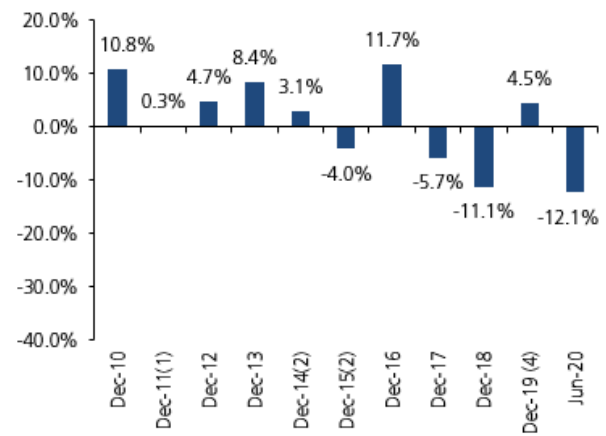
Year-by-Year Return

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

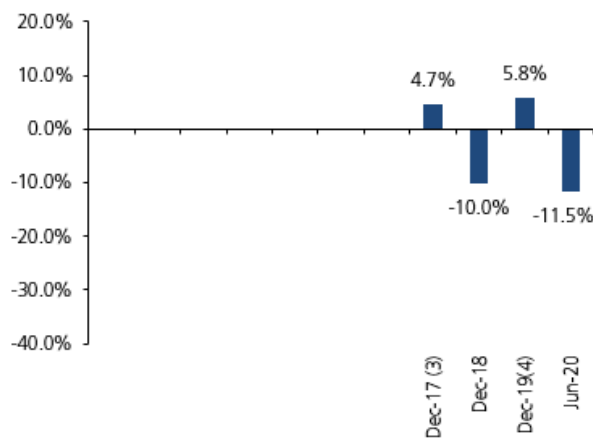
Series A



Series F



Series O



(1) Patient Capital Management assumed portfolio management responsibilities 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 since inception on July 5, 2017.

(4) Value Partners Investments Inc. assumed the portfolio management responsibilities of the Pool on November 6, 2019



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 39% 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, 2020, the Pool paid \$0.5 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	8.62	8.43	9.60	10.28	9.51	10.11
Increase (decrease) from operations:						
Total revenue	0.20	0.23	0.19	0.14	0.15	0.17
Total expenses	(0.10)	(0.21)	(0.20)	(0.20)	(0.20)	(0.21)
Realized gains (losses) for the period	(0.65)	(1.70)	0.04	0.08	0.45	0.24
Unrealized gains (losses) for the period	(0.45)	2.02	(1.09)	(0.72)	0.62	(0.67)
Total increase (decrease) from operations ⁽²⁾	(1.00)	0.34	(1.06)	(0.70)	1.02	(0.47)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.11)	-	-	-	-
From capital gains	-	-	(0.04)	-	(0.26)	(0.09)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.11)	(0.04)	-	(0.26)	(0.09)
Net assets, end of period	7.54	8.62	8.43	9.60	10.28	9.51



Financial Highlights (continued)

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	9.21	9.04	10.22	10.83	9.97	10.62
Increase (decrease) from operations:						
Total revenue	0.22	0.25	0.20	0.15	0.17	0.18
Total expenses	(0.07)	(0.14)	(0.12)	(0.12)	(0.12)	(0.12)
Realized gains (losses) for the period	(0.71)	(1.80)	0.05	0.06	0.50	0.23
Unrealized gains (losses) for the period	(0.54)	2.12	(1.19)	(0.72)	0.72	(0.71)
Total increase (decrease) from operations ⁽²⁾	(1.10)	0.43	(1.06)	(0.63)	1.27	(0.42)
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.24)	-	-	-	-
From capital gains	-	-	(0.05)	-	(0.31)	(0.22)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.24)	(0.05)	-	(0.31)	(0.22)
Net assets, end of period	8.10	9.21	9.04	10.22	10.83	9.97

Series O ⁽⁴⁾	June 30 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period ⁽⁴⁾	9.60	9.36	10.47	10.00
Increase (decrease) from operations:				
Total revenue	0.01	0.25	0.22	0.35
Total expenses	-	-	-	-
Realized gains (losses) for the period	(0.76)	(0.15)	0.05	-
Unrealized gains (losses) for the period	(0.36)	1.40	(1.40)	(0.06)
Total increase (decrease) from operations ⁽²⁾	(1.11)	1.50	(1.13)	0.29
Distributions:				
From net investment income (excluding dividends)	-	-	-	-
From dividends	-	(0.81)	-	-
From capital gains	-	-	(0.06)	-
Return of capital	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.81)	(0.06)	-
Net assets, end of period	8.26	9.60	9.36	10.47

(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⁾	\$50,966	\$61,583	\$91,514	\$138,250	\$158,171	\$144,424
Number of units outstanding (000's) ⁽¹⁾	6,757	7,147	10,860	14,394	15,391	15,179
Management expense ratio ⁽²⁾	2.24%	2.14%	2.10%	2.06%	2.05%	2.05%
Management expense ratio before waivers or absorptions	2.24%	2.14%	2.10%	2.06%	2.05%	2.05%
Trading expense ratio ⁽³⁾	0.23%	0.12%	0.00%	0.00%	0.00%	0.02%
Portfolio turnover rate ⁽⁴⁾	61.01%	90.40%	2.91%	2.54%	10.45%	20.28%
Net asset value per unit ⁽¹⁾	\$7.54	\$8.62	\$8.43	\$9.60	\$10.28	\$9.51

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⁾	\$17,097	\$20,939	\$25,413	\$38,060	\$30,505	\$19,808
Number of units outstanding (000's) ⁽¹⁾	2,111	2,274	2,811	3,724	2,816	1,986
Management expense ratio ⁽²⁾	1.32%	1.23%	1.19%	1.14%	1.13%	1.13%
Management expense ratio before waivers or absorptions	1.32%	1.23%	1.19%	1.14%	1.13%	1.13%
Trading expense ratio ⁽³⁾	0.23%	0.12%	0.00%	0.00%	0.00%	0.02%
Portfolio turnover rate ⁽⁴⁾	61.01%	90.40%	2.91%	2.54%	10.45%	20.28%
Net asset value per unit ⁽¹⁾	\$8.10	\$9.21	\$9.04	\$10.22	\$10.83	\$9.97

Series O	June 30 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$157	\$48	\$1,864	\$785
Number of units outstanding (000's) ⁽¹⁾	19	5	199	75
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.34%	0.29%	0.20%	0.16%
Trading expense ratio ⁽³⁾	0.23%	0.12%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	61.01%	90.40%	2.91%	2.54%
Net asset value per unit ⁽¹⁾	\$8.26	\$9.60	\$9.36	\$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.



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.