



**VALUE
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VPI CORPORATE BOND POOL

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

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

CANSO INVESTMENT COUNSEL LTD.

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.



VALUE
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INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

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 \$75.5 million for the six-month period ended June 30, 2021 due to \$58.9 million of net sales and a \$23.7 million increase in net assets from operations, offset by \$7.1 million in distributions. The increase in net assets from operations was due to \$14.8 million of net realized gains on investments and currency forward contracts, \$1.9 million of net unrealized appreciation in the value of investments and currency forward contracts and \$7.7 million in dividend and interest income. This was offset by \$0.7 million in management fees and operating expenses.

Each series of the Pool experienced a gain in the range of 6.5% to 7.3% which was significantly higher than the -3.5% loss of the FTSE TMX Universe Bond Index (the "Index"). Performance was led by further recoveries in pandemic affected issuers as spreads continued to normalize. Bonds issued by Bombardier, Occidental Petroleum and Continental Resources outperformed the broader market.

Revenues and Expenses

Revenues of the Pool for the year included \$7.7 million of dividend and interest income. Management fees and operating expenses incurred during the period were \$0.7 million.

The realized gain on sale of investments and forward contracts of \$14.8 million is attributable to five full dispositions as well as several partial dispositions of shares from the portfolio during the year. Interest received from each of these holdings while in the Pool are in addition to these gains.

Recent Developments

Economic Conditions

As inflation pushed to its highest level in more than a decade, U.S. government bond yields surprisingly retreated from their March 31st levels as positive performance became ubiquitous for the period. Government bond yields had risen sharply in the first quarter as the markets rode a wave of optimism. The Fed officials have begun discussions about 'tapering' bond purchases and have pushed forward the time frame when they expect to raise interest rates. Many investors agree with the Fed that this high inflation is transitory and related to the reopening of the economy.

In Canada, the second wave of the virus did not hamper the strong economic recovery. Consumers and businesses are adapting to containment measures, and housing market activity has been much stronger than expected. Improving foreign demand and higher commodity prices have also brightened the prospects for exports and business investment.

Financial markets pushed higher in the second quarter of 2021 and major equity markets posted record highs. The appetite for risk extended into fixed income with strong returns in the more speculative high yield market. Spread narrowing was muted in the investment grade segment. Higher quality bond markets rallied off the first quarter drawdown following the decline in longer term government bonds yields. Despite this rebound, government bond markets remain negative through the first half of 2021 with yields still markedly higher than the pandemic lows while spread narrowing has helped to insulate corporate bonds.



**VALUE
PARTNERS**
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

Portfolio Allocation

Corporate bonds	85.7%	Term loans	3.1%
Mortgage-backed securities	8.4%	Equities	1.0%
Cash	3.2%	Forward currency contracts	-1.4%

Sector Allocation

Corporate bonds	85.7%	Energy	0.8%
Mortgage-backed securities	8.4%	Capital Goods	0.1%
Cash	3.2%	Telecommunication Services	0.1%
Term loans	3.1%	Forward currency contracts	-1.4%

Top 25 Holdings

Issuer	Maturity Date	Coupon Rate	Percentage of Net Assets
Ford Credit Canada Co., FRN	21-Mar-24	3.6%	4.1%
Air Canada	22-Jun-24	9.0%	4.0%
Cash			3.2%
American Airlines Inc.	15-Jul-25	11.8%	2.9%
Manulife Financial Corporation, FRN	19-Jun-81	3.4%	2.8%
Canadian Imperial Bank of Commerce, FRN	10-Jun-24	0.7%	2.6%
Bombardier Inc.	15-Apr-27	7.9%	2.4%
Bombardier Inc.	01-May-34	7.5%	2.3%
TC Energy Corporation, FRN	15-May-67	2.4%	2.3%
Government of Canada	01-Jan-26	0.6%	2.2%
Bank of Nova Scotia	27-Jul-81	3.7%	2.0%
Canadian Imperial Bank of Commerce, FRN	04-Mar-25	0.6%	1.9%
Continental Resources	15-Jan-31	5.8%	1.8%
Sunlife Financial Inc., FRN	30-Jun-81	3.6%	1.8%
Royal Bank of Canada, FRN	24-Nov-80	4.5%	1.7%
Spirit AeroSystems	15-Apr-27	7.5%	1.7%
Neptune Acquisition Inc.	08-Apr-27	10.0%	1.6%
Ford Motor Credit Co. LLC, FRN	07-Jan-22	3.3%	1.6%
Occidental Petroleum Corporation	01-Sep-30	6.6%	1.6%
Avis Budget Car Rental	15-Jul-27	5.8%	1.5%
Royal Bank of Canada, FRN	24-Feb-81	4.0%	1.4%
Spirit AeroSystems	15-Jun-28	4.6%	1.4%
Canada Housing Trust	15-Dec-21	1.5%	1.4%
Canada Housing Trust	15-Dec-21	1.2%	1.4%
AMC Entertainment Holdings	15-Apr-25	10.5%	1.3%
Total			52.9%

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.



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

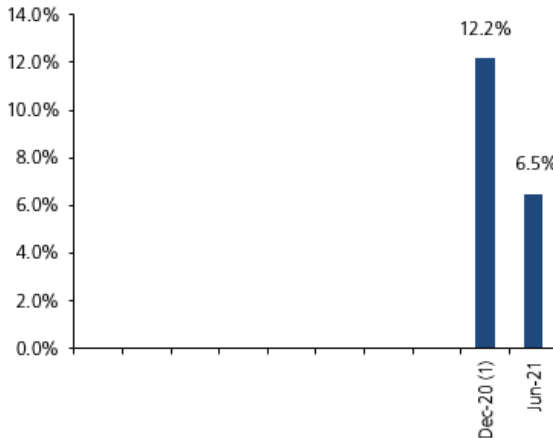
Past Performance

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.

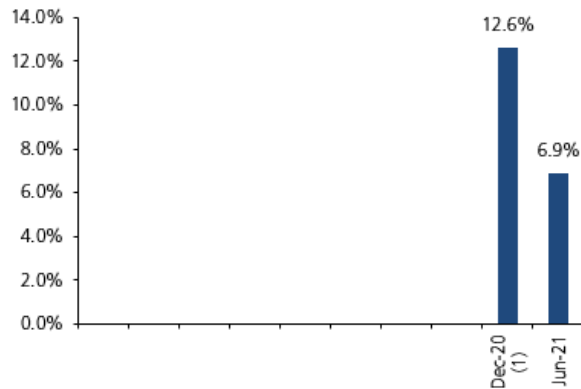
Year-by-Year Returns

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 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.

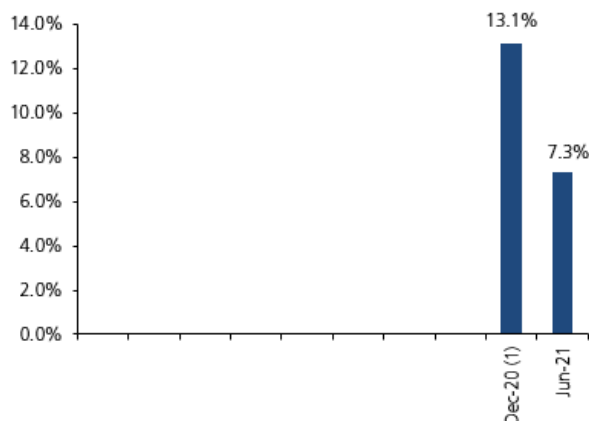
Series A



Series F



Series O



(1) 2020 return is since inception on June 29, 2020



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

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 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 11% 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 \$0.6 million in management fees (excluding taxes) to the Manager. In addition, the Manager also held 1 Series A unit, 26,615 Series F units and 1 Series O unit 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 period ended December 31, 2020 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 ⁽⁴⁾	June 30 2021	December 31 2020
Net assets, beginning of period ⁽⁴⁾	10.78	10.00
Increase (decrease) from operations:		
Total revenue	0.24	0.28
Total expenses	(0.09)	(0.09)
Realized gains (losses) for the period	0.50	0.32
Unrealized gains (losses) for the period	0.01	1.04
Total increase (decrease) from operations ⁽²⁾	0.66	1.55
Distributions:		
From net investment income (excluding dividends)	(0.15)	(0.23)
From dividends	-	-
From capital gains	-	(0.19)
Return of capital	-	-
Total annual distributions ⁽³⁾	(0.15)	(0.42)
Net assets, end of period	11.32	10.78



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

Financial Highlights (continued)

Series F ⁽⁴⁾	June 30 2021	December 31 2020
Net assets, beginning of period⁽⁴⁾	10.78	10.00
Increase (decrease) from operations:		
Total revenue	0.24	0.28
Total expenses	(0.05)	(0.05)
Realized gains (losses) for the period	0.55	0.30
Unrealized gains (losses) for the period	(0.05)	0.98
Total increase (decrease) from operations⁽²⁾	0.69	1.51
Distributions:		
From net investment income (excluding dividends)	(0.20)	(0.27)
From dividends	-	-
From capital gains	-	(0.19)
Return of capital	-	-
Total annual distributions⁽³⁾	(0.20)	(0.46)
Net assets, end of period	11.31	10.78

Series O ⁽⁴⁾	June 30 2021	December 31 2020
Net assets, beginning of period⁽⁴⁾	10.82	10.00
Increase (decrease) from operations:		
Total revenue	0.25	0.29
Total expenses	-	-
Realized gains (losses) for the period	0.46	0.24
Unrealized gains (losses) for the period	0.07	0.81
Total increase (decrease) from operations⁽²⁾	0.78	1.33
Distributions:		
From net investment income (excluding dividends)	(0.25)	(0.27)
From dividends	-	-
From capital gains	-	(0.19)
Return of capital	-	-
Total annual distributions⁽³⁾	(0.25)	(0.46)
Net assets, end of period	11.36	10.82

(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) The Pool began operations on June 29, 2020.



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

VPI CORPORATE BOND POOL

Ratios and Supplemental Data

Series A	June 30 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$94,753	\$52,057
Number of units outstanding (000's) ⁽¹⁾	8,369	4,829
Management expense ratio ⁽²⁾	1.64%	1.65%
Management expense ratio before waivers or absorptions	1.64%	1.65%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	20.69%	8.36%
Net asset value per unit ⁽¹⁾	\$11.32	\$10.78

Series F	June 30 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$23,015	\$8,446
Number of units outstanding (000's) ⁽¹⁾	2,035	784
Management expense ratio ⁽²⁾	0.85%	0.90%
Management expense ratio before waivers or absorptions	0.85%	0.90%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	20.69%	8.36%
Net asset value per unit ⁽¹⁾	\$11.31	\$10.78

Series O	June 30 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$267,057	\$248,796
Number of units outstanding (000's) ⁽¹⁾	23,502	22,984
Management expense ratio ⁽²⁾	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.06%	0.07%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	20.69%	8.36%
Net asset value per unit ⁽¹⁾	\$11.36	\$10.82

(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, 2021

VPI CORPORATE BOND 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.