



**VALUE
PARTNERS**
INVESTMENTS

VPI DIVIDEND GROWTH POOL

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

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 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 \$62.7 million for the six-month period ended June 30, 2021 due to \$44.1 million of net sales and an \$18.6 million increase in net assets from operations. The increase in net assets from operations was due to \$2.9 million of net realized gains on the sale of investments, \$16.1 million of unrealized appreciation in the value of investments and \$1.0 million in dividend and interest income. This was offset by a \$0.1 million foreign exchange loss on cash and \$1.3 million in management fees and operating expenses.

The following table summarizes the businesses that were added and/or removed from the portfolio:

<i>Additions</i>	<i>Dispositions</i>
Thermo Fisher Scientific Inc.	Danaher Corp.
Applied Materials Inc.	Tyson Foods Inc.

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>
Pharmaceuticals & Biotechnology	4.6%	Healthcare Equipment & Services	4.7%
Semiconductors & Equipment	3.0%	Food, Beverage & Tobacco	4.5%
Other Net Assets	2.2%	Cash	2.0%
Retailing	1.2%	Consumer Services	0.6%
Real Estate	0.9%	Software & Services	0.4%
Diversified Financials	0.7%	Commercial and Professional Services	0.3%
		Capital Goods	0.1%

Year-to-date market returns have been led by lower profitability companies providing the highest returns thus far. The second quarter saw a slight reversal of this trend with profitability, quality, growth and momentum factors all gaining back some ground. These are factors that have commonly been well represented in the portfolio of high dividend growers.

As a result, year-to-date results have slightly lagged the S&P 500 Total Return Index (CAD), with each series of the Pool gaining between 10.8% and 11.9% for the six-month period relative to the 12.0% return of the index. Applied Materials, Intuit and Home Depot were the largest contributors to the Pool's performance. From a sector standpoint, limited to no exposure in the Utilities and Consumer Staples sectors also had a positive contribution. Activision, Thermo Fisher and Mastercard were the largest detractors from the Pool's performance. From a sector standpoint, no exposure to the Energy sector hurt the Pool's relative performance as did exposure to companies exhibiting profitability and growth.



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Revenues and Expenses

Revenues of the Pool for the year included \$1.0 million of dividend and interest income. Management fees and operating expenses incurred during the period were \$1.3 million, along with a \$0.1 million foreign exchange loss on cash.

The realized gain on sale of investments of \$2.9 million is attributable to two full dispositions as well as partial dispositions of shares from the portfolio during the period. Dividends received from each of these holdings while in the Pool are in addition to these gains.

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain (Loss) (millions)
Danaher Corp	1.2 years	\$ 6.3	\$ 5.0	\$ 1.3
Tyson Foods Inc.	1.1 years	\$ 5.9	\$ 6.4	\$ (0.5)
Partial Dispositions	n/a	\$ 10.8	\$ 8.7	\$ 2.1
		\$ 23.0	\$ 20.1	\$ 2.9

Recent Developments

Economic Conditions

Factors and sectors that have worked best through the first half of the year have some of the highest correlations to economic growth. The Portfolio Manager cannot help but ask what happens to their relative performance as the supernormal economic growth coming out of a recessionary bottom reverts to the mean?

The Pool is well positioned for the next phase of the economic recovery yet still maintains defensive characteristics within the portfolio for any potential disruptions along the way. The types of companies that the Portfolio Manager attempts to invest in – sustainable high dividend growers, being driven by strong fundamentals – have less correlation to the economic cycle because they are often driven by secular themes that are somewhat independent of the broader economy.

The spread between the dividend yield of the Pool and that of the S&P 500 Index is near historical low levels. In prior periods, relatively tight dividend yield spreads to the market have generally resulted in reasonably strong subsequent relative performance for the strategy on which the Pool is based.

Although past performance is no guarantee of future results, with a tight dividend yield spread to the market and quality companies trading at discounts not seen since the dot com bust, the Portfolio Manager believes the portfolio is attractively valued considering the opportunities the companies have ahead of them. The Portfolio Manager estimates the portfolio is trading at a substantial discount to the market on a free-cash flow yield basis despite lower capital intensity, higher margins, better returns and more sustainable growth in their view.



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Portfolio Allocation

US Equities	95.1%	Cash	0.4%
Offshore Equities	4.5%		

Sector Allocation

Software and Services	22.7%	Media and Entertainment	4.6%
Semiconductors & Equipment	12.8%	Consumer Services	4.6%
Diversified Financials	9.5%	Health Care Equipment and Services	4.6%
Retailing	9.4%	Materials	4.3%
Capital Goods	9.3%	Commercial & Professional Services	4.2%
Pharmaceuticals & Biotechnology	8.8%	Cash	0.4%
Real Estate	4.8%		

Top 25 Holdings

Issuer	Percentage of Net Assets
Intuit Inc.	5.1%
Zoetis Inc.	5.1%
Moody's Corporation	4.9%
American Tower Corporation (REIT)	4.8%
Roper Technologies, Inc.	4.8%
Cintas Corporation	4.6%
The Sherwin-Williams Company	4.6%
UnitedHealth Group Incorporated	4.6%
Microsoft Corporation	4.5%
Allegion plc	4.5%
Thermo Fisher Scientific Inc.	4.5%
Visa Inc.	4.5%
Dollar General Corporation	4.5%
CME Group Inc.	4.5%
Broadridge Financial Solutions, Inc.	4.4%
Applied Materials, Inc.	4.4%
The Home Depot, Inc.	4.3%
Activision Blizzard, Inc.	4.3%
Texas Instruments Incorporated	4.2%
Broadcom Inc.	4.2%
Starbucks Corporation	4.2%
Mastercard Incorporated	4.1%
Cash	0.4%
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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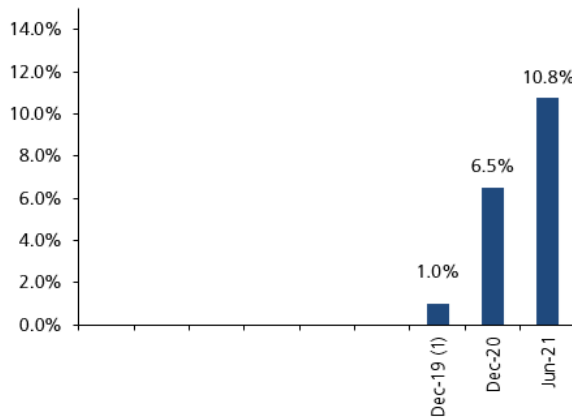
Past Performance

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.

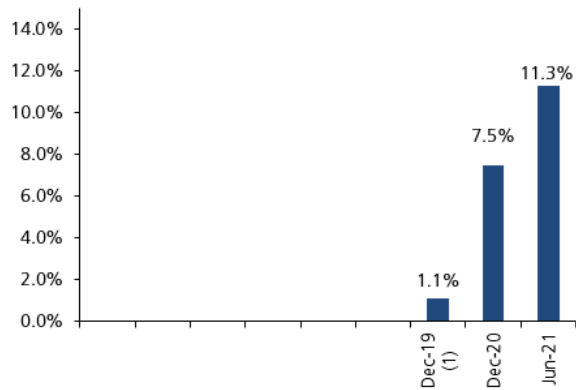
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2021, 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.

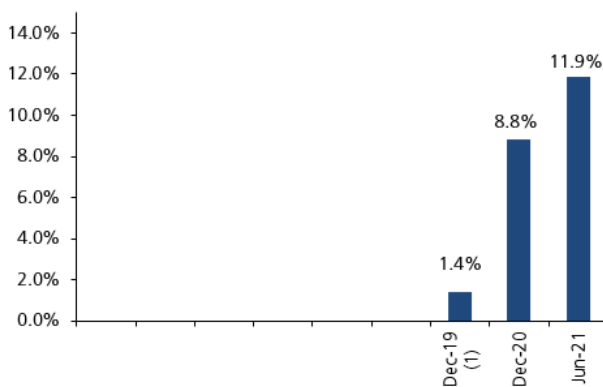
Series A



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, 2021, approximately 37% 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 21% 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 \$1.0 million in management fees (excluding taxes) to the Manager. In addition, the Manager also held 1 Series A unit, 50,366 Series F units of the Pool 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 year-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	December 31 2019
Net assets, beginning of period ⁽⁴⁾	10.75	10.10	10.00
Increase (decrease) from operations:			
Total revenue	0.06	0.10	-
Total expenses	(0.12)	(0.24)	(0.04)
Realized gains (losses) for the period	0.20	(0.45)	-
Unrealized gains (losses) for the period	1.07	1.73	0.01
Total increase (decrease) from operations ⁽²⁾	1.21	1.14	(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	11.91	10.75	10.10



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Financial Highlights (continued)

Series F ⁽⁴⁾	June 30 2021	December 31 2020	December 31 2019
Net assets, beginning of period⁽⁴⁾	10.85	10.10	10.00
Increase (decrease) from operations:			
Total revenue	0.06	0.10	(0.01)
Total expenses	(0.07)	(0.15)	(0.03)
Realized gains (losses) for the period	0.20	(0.43)	-
Unrealized gains (losses) for the period	1.11	1.75	0.11
Total increase (decrease) from operations⁽²⁾	1.30	1.27	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	12.07	10.85	10.10

Series O ⁽⁴⁾	June 30 2020	December 31 2020	December 31 2019
Net assets, beginning of period⁽⁴⁾	11.02	10.13	10.00
Increase (decrease) from operations:			
Total revenue	0.07	0.08	0.01
Total expenses	(0.01)	-	(0.01)
Realized gains (losses) for the period	0.20	(0.27)	-
Unrealized gains (losses) for the period	1.16	1.86	0.01
Total increase (decrease) from operations⁽²⁾	1.42	1.67	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	12.33	11.02	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, 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 November 6, 2019.



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Ratios and Supplemental Data

Series A	June 30 2021	December 31 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$104,293	\$76,017	\$9,175
Number of units outstanding (000's) ⁽¹⁾	8,760	7,072	909
Management expense ratio ⁽²⁾	2.05%	2.20%	2.25%
Management expense ratio before waivers or absorptions	2.05%	2.20%	4.04%
Trading expense ratio ⁽³⁾	0.01%	0.02%	0.01%
Portfolio turnover rate ⁽⁴⁾	14.29%	24.78%	4.21%
Net asset value per unit ⁽¹⁾	\$11.91	\$10.75	\$10.10

Series F	June 30 2021	December 31 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$46,006	\$32,382	\$4,827
Number of units outstanding (000's) ⁽¹⁾	3,811	2,985	478
Management expense ratio ⁽²⁾	1.10%	1.26%	1.35%
Management expense ratio before waivers or absorptions	1.10%	1.26%	3.88%
Trading expense ratio ⁽³⁾	0.01%	0.02%	0.01%
Portfolio turnover rate ⁽⁴⁾	14.29%	24.78%	4.21%
Net asset value per unit ⁽¹⁾	\$12.07	\$10.85	\$10.10

Series O	June 30 2021	December 31 2020	December 31 2019
Total net asset value (000's) ⁽¹⁾	\$45,433	\$24,625	\$2,278
Number of units outstanding (000's) ⁽¹⁾	3,684	2,234	225
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.16%	0.28%	1.96%
Trading expense ratio ⁽³⁾	0.01%	0.02%	0.01%
Portfolio turnover rate ⁽⁴⁾	14.29%	24.78%	4.21%
Net asset value per unit ⁽¹⁾	\$12.33	\$11.02	\$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 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.