

VALUE PARTNERS POOLS INDEPENDENT REVIEW COMMITTEE ANNUAL REPORT TO UNITHOLDERS

For the year ended December 31, 2019

Message from the Chair

During the year ended December 31, 2019 until February 4, 2019, Judy Wakefield, and I acted as the independent review committee (the “IRC”) for the Pools managed by Value Partners Investments Inc (the Manager). Post Donna Janovcik’s appointment on February 5, 2019, and for the remainder of the year, Judy Wakefield, Donna Janovcik and I acted as the IRC for the Pools managed by the Manager. Each of us are independent of the Pools, the Manager and its affiliates.

The IRC became fully operational on November 1, 2007 and, after that date, has functioned in accordance with the applicable securities laws. We operate in accordance with our written charter, which includes our mandate, responsibilities and functions, and the procedures we follow when performing our functions as the IRC for the Pools. We also function as mandated by National Instrument 81-107.

As the members of the IRC, we consider the best interests of the Pools in any matter where the Manager has a conflict of interest. In respect of any Conflict of Interest Matter (COIM) referred to us by the Manager, we have sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the relevant Pool(s).

We are now pleased to publish the 2019 annual report for the unitholders of the Pools, to describe the IRC and its activities during the Pools’ last financial year.

Sincerely,

“ Nestor Theodorou ”

Nestor Theodorou, Chairman

Mandate of the IRC

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Pools listed at the end of this report (collectively the “Pools” and individually a “Pool”). The Manager is required under NI 81-107 to identify COIM inherent in its management of the Pool, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those COIM. Certain matters require the IRC’s prior approval, but in most cases the IRC provides a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Pool. For recurring COIM, the IRC has provided the Manager with standing instructions recommending that the Manager follow its policies and procedures regarding a particular COIM.

This report is available on the Manager’s website at www.valuepartnersinvestments.ca or you may request a copy, at no cost to you, by contacting the Manager at 1-866-323-4235.

Composition of the IRC

As of the date of this report, the current members of the IRC, and their respective terms of office, are as follows:

Name	Residence	Term of Office
Nestor Theodorou	Winnipeg, Manitoba	Three (3) years from January 1, 2020
Judy Wakefield	Winnipeg, Manitoba	Four (4) years from January 1, 2017
Donna Janovcik	Winnipeg, Manitoba	Three (3) years from February 5, 2019

Compensation and Indemnification

The compensation paid to the members of the IRC during 2019 consists of an annual retainer as well as a fee per meeting. There were 3 in-person meetings and 2 telephonic meetings held for the year ended December 31, 2019.

The aggregate compensation paid to the members of the IRC for the year ended December 31, 2019 was \$33,400. The compensation of the IRC has been allocated between the Pools in accordance with the Manager's expense allocation policy, which has been reviewed by the IRC.

No payments were made to a member of the IRC under any indemnity granted in his/her favour during the year ended December 31, 2019.

Holdings of Securities

a) Pools

As at December 31, 2019, no member of the IRC beneficially owned, directly or indirectly, any securities of any series of the Value Partners Pools.

b) Manager

As at December 31, 2019, no member of the IRC beneficially owned, directly or indirectly, any class of any voting or equity securities of Value Partners Investments Inc., the manager of the Value Partners Pools.

c) Service Providers

As at December 31, 2019, no member of the IRC beneficially owned, directly or indirectly, any class or series of any voting or equity securities of a person or company that provides services to the Value Partners Pools or the manager of the Pools.

Conflict of Interest Matters Reviewed

The IRC is not aware of any instance in which the Manager acted in a COIM referred to the IRC for which the IRC did not give a positive recommendation.

The IRC is not aware of any instance in which the Manager acted in a COIM but did not meet a condition imposed by the IRC in its recommendation or approval.

Approvals and Positive Recommendations

On September 30, 2019 and October 9, 2019, the IRC had a teleconference meeting with the Manager to discuss a proposed change in the portfolio manager of the VPI Value Pool. After reviewing the relevant documentation the IRC's opinion was that the Manager's proposed action provides a fair and reasonable result for the Pool and provided the Manager with a positive recommendation to proceed with implementing the proposed change.

During the year ended December 31, 2019, the Manager informed the IRC that it relied on standing instructions granted by the IRC relating to certain of the COIM referred to the IRC. In each case, the standing instructions require the Manager to follow its policies and procedures related to the applicable COIM in all material respects and to report to the IRC on a periodic basis. The Manager's policies governing the COIM considered by the IRC, upon which the Manager relied during the period, are:

- a) Fund Expense Policy
- b) Fairness Policy
- c) Error Correction Policy
- d) Monitoring Portfolio Managers' Policy
- e) Personal Trading Policy
- f) Investments by the Manager in the Pools Policy
- g) Complaint Handling Policy
- h) Fundamental Changes to the Pools Policy
- i) Key Decision Making Policy

During 2019, the IRC considered the COIM that the Manager earlier referred to it and concluded that the standing instructions previously given by the IRC for those COIM continued to be appropriate.

Pools served by the IRC

This Report to Unitholders for the year ended December 31, 2019 made by the Independent Review Committee for the Value Partners Pools is dated as of January 22, 2020 and is addressed to the Unitholders of:

VPI Income Pool

VPI Canadian Equity Pool

VPI Foreign Equity Pool

VPI Value Pool

VPI Canadian Balanced Pool

VPI Mortgage Pool

VPI Dividend Growth Pool