



# **VALUE PARTNERS POOLS**

## **SIMPLIFIED PROSPECTUS**

dated November 6, 2019

**SERIES A UNITS, SERIES F UNITS  
& SERIES O UNITS**

of

**VPI DIVIDEND GROWTH POOL**

**Amended and Restated Simplified Prospectus  
dated November 6, 2019**

**Amending and Restating the Simplified Prospectus  
dated June 21, 2019**

**SERIES A UNITS, SERIES F UNITS  
& SERIES O UNITS**

of

**VPI INCOME POOL  
VPI CANADIAN EQUITY POOL  
VPI FOREIGN EQUITY POOL  
VPI VALUE POOL  
VPI CANADIAN BALANCED POOL  
VPI MORTGAGE POOL**

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## **Introduction**

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This document is divided into two parts. The first part, pages 1 through 34, contains general information that applies to all funds described in this document (collectively, the “Value Partners Pools” or the “Pools”). The second part, pages 35 through 56, contains specific information about each of the Value Partners Pools.

Additional information about each Pool is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of this document. You can obtain a copy of these documents, at your request, and at no cost by calling 1-866-323-4235 or from your dealer. These documents are available on our website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca) or you can ask us to send them to you by emailing [info@vpinvestments.ca](mailto:info@vpinvestments.ca). These documents and other information about the Value Partners Pools are also available at [www.sedar.com](http://www.sedar.com).

## **What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?**

### **What is a Mutual Fund?**

Each Value Partners Pool is a mutual fund. A mutual fund is an investment product that pools your money with the money of other investors with similar investment objectives. Professional investment managers use that money to buy a portfolio of securities that they believe will help achieve that investment objective.

While there are many different types of securities that a mutual fund may invest in, they generally fit into two basic types: equity securities and debt securities. In addition to investing in equity and debt securities, mutual funds also may use other investment techniques including investing in securities of other mutual funds, which are then referred to as *underlying funds*.

Each contributor to the pool of money becomes a unitholder of the mutual fund. Each unit represents a proportionate share of the mutual fund's net assets. Unitholders share the mutual fund's income, expenses and any gains and losses the mutual fund makes on its investments based on the proportionate number of units they own.

### **What are the Risks of Investing in a Mutual Fund?**

Mutual funds own different types of investments depending upon their investment objectives. The value of these investments changes from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units will go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. The full amount of your investment in any of the Value Partners Pools is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Suspending Your Right to Redeem Units".

Different investors have varying tolerances for risk. You must consider your own comfort with risk as well as the amount of risk suitable for your investments.

The following is a summary of the various types of investment risk that may be applicable to the Value Partners Pool(s) you decide to purchase. Cybersecurity risk is a risk applicable to all Value Partners Pools. To the extent that a Value Partners Pool invests in an underlying fund, it has the same risks as its underlying fund. Accordingly, any reference to a Value Partners Pool in this section is intended to also refer to any underlying fund that a Value Partners Pool may invest in.

### **Concentration Risk**

Concentration risk is the risk associated with investments that are concentrated in a particular issuer, issuers, sector, or in a single country or region of the world. Concentration of investments allows a Pool to focus on the potential of a particular issuer, sector or region. However, concentration also means that the value of the Pool tends to be more volatile than the value of a more diversified Pool because the Pool's value is affected more by the performance of that particular issuer, sector, country or region.

### **Cybersecurity Risk**

With the increased use of technologies such as the Internet to conduct business, the Manager and each Pool has become potentially more susceptible to operational and information security risks through breaches in cybersecurity.

In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's or a Pool's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information

(including, for example, personal securityholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Pool. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or a Pool's systems, networks or devices.

Any such cybersecurity breaches or losses of service may cause the Manager or a Pool to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Pool to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss.

While the Manager has established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Pools' third party service providers may disrupt the business operations of the service providers and of the Manager or the Pool. These disruptions may result in financial losses, the inability of securityholders to transact business with the Pool and inability of the Pool to process transactions, the inability of the Pool to calculate its net asset value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures.

A Pool and its securityholders could be negatively impacted as a result of any such cybersecurity breaches, and there can be no assurance that the Pool will not suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Manager's or the Pool's third-party service providers in the future, particularly as the Manager and the Pool cannot control any cybersecurity plans or systems implemented by such service providers. Cybersecurity risks may also impact issuers of securities in which a Pool invests, which may cause the Pool's investments in such issuers to lose value.

### **Derivative Risk**

A derivative is usually a contract between two parties to buy or sell an asset at a future date. The value of the contract is derived from the market price or value of the underlying asset, such as currency or stocks, or an economic indicator, such as stock market indices or interest rates. Derivatives may be used for hedging and non-hedging purposes.

To hedge is to reduce the risk of an existing investment by fixing some or all aspects of the price of that investment at some point in the future. Hedging through the use of derivatives may help reduce the risks associated with other investments, including currency value fluctuations, stock market risks and interest rate changes. However, there can be no assurance that a Pool's hedging strategies will be effective. Hedging against changes in currencies, stock markets or interest rates does not necessarily eliminate all fluctuations in

the price of portfolio securities or prevent losses if the price of those securities declines. Hedging may also reduce the opportunity for gain if the value in the Pool's reporting currency of the hedged currency or stock market should rise or if the hedged interest rate should fall. It may not be possible for a Pool to protect its investments against generally anticipated changes in currencies, stock markets or interest rates through the use of derivatives. The use of derivatives for hedging or non-hedging purposes is subject to risks, including:

- the other party to a derivative contract may not meet its obligations;
- a Pool may not be able to buy or sell a derivative to make a profit or cover a loss; and
- derivatives traded on foreign markets may be less liquid than derivatives traded on North American markets.

Derivatives will be used in a way that is consistent with a Pool's investment objectives and as permitted by the Canadian securities regulatory authorities.

### **Equity Risk**

The value of the Value Partners Pools that invest in equity securities (also called stocks or shares) will be affected by changes in the market price of those securities. The price of a stock is affected by individual company developments, such as profitability, and also by general economic and financial conditions in those countries where the company is located or carries on business or where the stock is listed for trading.

### **Fixed Income Risk**

Certain Value Partners Pools invest in fixed income securities. Fixed income securities are subject to interest rate risk and to credit risk. These risks exist because the price of fixed income securities varies with prevailing interest rates and the creditworthiness of the government or company issuing the securities. Typically, when interest rates decline the price of fixed income securities, such as bonds, rises. Conversely, when interest rates rise, the price of existing bonds generally falls. The net asset value of a Pool holding these securities would then rise or fall as a result of the underlying bond prices either rising or falling. Credit risk is the possibility that an issuer of a bond or other fixed income investment may not be able to pay interest or repay the principal at maturity. The risk of this occurring will vary depending on the issuer of the security and the associated interest rate paid by the issuer will typically correspond to the level of credit risk. Typically, the higher the interest rate paid, the higher the market perceives the credit risk of the issuer.

### **Foreign Currency Risk**

The Canadian dollar value of a Pool's investments in foreign securities is affected by changes in the value of the Canadian dollar relative to the currency in which those securities are denominated. For example, if the Canadian dollar rises relative to the foreign currency, the value of the Pool's holdings expressed in Canadian dollars will go down, even though the value of the foreign holdings in their own market did not change. Investments in

securities issued in foreign currencies may also be subject to foreign currency controls where applicable.

### **Foreign Market Risk**

Investments in foreign securities by the Value Partners Pools raise additional risks compared to those made in the Canadian market. The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile than the Canadian market. At times, the securities markets of various countries may move relatively independently of one another due to different economic, financial, political and social factors. This could lead to a reduction in gains the Pool has derived from movements in a particular market. A Pool that holds foreign securities may have difficulty enforcing legal rights in jurisdictions outside Canada.

Emerging market securities have additional risks that are less common in more established capital markets, such as financial and economic risks and political and legal risks. The securities markets in emerging market countries may be smaller than the markets in more developed countries, reducing liquidity and making it more difficult to sell securities when desired in order to take profits or avoid losses. The economies of individual emerging market countries may also differ substantially from economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resource self-sufficiency, the extent of dependence on external trade and its balance of payments position. Capital markets in emerging market countries can be less developed and less reliable than those in mature economies in that disclosure, transparency and reporting rules are limited, subject to change and often less consistent or understandable. The market infrastructures in regard to trading and settlement may also be less efficient and more biased than those in established markets. As well, many emerging market countries have laws and regulations which differ from those in more established capital markets and which may preclude foreign direct investment, repatriation of capital or may restrict foreign exchange transactions. Tax regulations may be subject to frequent change and are not subject to the conventions in place in more developed capital markets, even to the extent that outright confiscation or expropriation may occur. Further, investors in emerging markets may encounter difficulties or be unable to pursue legal remedies and enforce judgments in foreign courts. Accordingly, the value of the Pools that buy investments in emerging markets may rise and fall substantially and fluctuate greatly from time to time.

Certain Pools may purchase sponsored or unsponsored American Depositary Receipts (ADRs), European Depositary Receipts (EDRs) and Global Depositary Receipts (GDRs) (collectively “depository receipts”) typically issued by a bank or a trust company which evidence ownership of underlying securities issued by a foreign corporation. Generally, depository receipts in registered form are designed for use in the U.S. securities market and the depository receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depository receipts may be issued

pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of the depositary receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the depositary receipts.

### **Large Redemption Risk**

An investor, group of investors or another mutual fund may hold a large portion of the outstanding units of a Pool. If an investor, group of investors or another mutual fund redeems units representing a large portion of the outstanding units of a Pool, generally representing 10% or more of the net asset value of the Pool, the Pool may be required to change the composition of the portfolio significantly or sell a significant portion of its investments at unfavourable prices, which could affect the overall performance of the Pool.

### **Liquidity Risk**

Liquidity risk is the risk that a significant portion of investments within a Pool's portfolio cannot be readily converted into cash when required. While each Pool has guidelines intended to limit the amount of illiquid securities that it may hold at any given time, the Pools are exposed to varying degrees of liquidity risk depending on market conditions.

### **Securities Lending, Repurchase and Reverse Repurchase Risk**

The Pools may enter into securities lending, repurchase transactions and reverse repurchase transactions in order to earn additional income but there are risks associated with each of these transactions. Securities lending involves the lending of securities held by a Pool to qualified borrowers who have posted collateral. In lending securities a Pool is subject to the risk that the borrower may not fulfill its obligations, leaving the Pool holding collateral worth less than the securities it has lent, resulting in a loss.

A repurchase transaction involves a mutual fund selling a security at one price and agreeing to buy it back from the same party at a lower price. Over time, the value of the securities sold under a repurchase transaction might exceed the value of the collateral held by the mutual fund. If the other party defaults on its obligation to resell the securities to the mutual fund the collateral may be insufficient to enable the mutual fund to purchase replacement securities and the mutual fund may suffer a loss.

A reverse repurchase transaction involves a Pool purchasing a security at one price and agreeing to sell it back to the same party at a higher price. Over time, the value of the securities purchased by the Pool under a reverse repurchase transaction may decline below the amount of cash paid by the Pool to the other party. If the other party defaults on its obligation to repurchase the securities from the Pool it may need to sell the securities for a lower price and suffer a loss for the difference.

### **Series Risk**

Units of the Pools are available in more than one series. If a Pool can't pay the expenses of one series using its proportionate share of the Pool's assets for any reason, the Pool will be required to pay those expenses out of the other series' proportionate share of the Pool's assets. That could lower the investment returns of the other series. The Pools may, without unitholder approval, issue additional series.

### **Tax Risk**

If a Pool experiences a "loss restriction event" (i) the Pool will be deemed to have a year-end for tax purposes (which could result in the Pool being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the Pool will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a Pool will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Pool, or a group of persons becomes a "majority-interest group of beneficiaries" of the Pool, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a Pool will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Pool. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of a Pool if the Pool meets certain investment requirements and qualifies as an "investment fund" under the rules.

### **Tracking Risk**

A Pool may seek to have its returns linked to the performance of an underlying fund by purchasing securities of the underlying fund. The Pool may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- the Pool bears its own fees and expenses;
- under normal circumstances, there will be a one business day delay between the time an investor buys units of the Pool and the time the Pool gets additional exposure to the underlying fund. The possible impact of such a delay will be increased if new purchases of units of the Pool are large compared to existing investments in the Pool; and
- instead of investing in the underlying fund, the Pool may hold cash or short-term debt securities in order to satisfy anticipated redemption requests.

## Organization and Management of the Value Partners Pools

The following entities are involved in the operation and management of the Value Partners Pools:

<b>Manager</b>	Value Partners Investments Inc. (“Value Partners”) Suite 300, 175 Hargrave Street Winnipeg, Manitoba R3C 3R8 <i>Responsible for managing the overall business and operations of the Pools.</i>
<b>Portfolio Managers</b>	Value Partners either manages a Pool directly or retains different portfolio managers who are responsible for selecting and monitoring the securities in which a Pool invests. The portfolio manager for each Pool is identified in Part B of this simplified prospectus.
<b>Trustee</b>	RBC Investor Services Trust Toronto, Ontario <i>Responsible for holding the assets of the Pools and implementing the directions of the Portfolio Manager or the Manager.</i>
<b>Custodian</b>	RBC Investor Services Trust Toronto, Ontario <i>Responsible for maintaining in safekeeping the assets of the Pools.</i>
<b>Record-keeper</b>	RBC Investor Services Trust Toronto, Ontario <i>Responsible for maintaining unitholder records.</i>
<b>Auditors</b>	KPMG LLP, Chartered Professional Accountants Winnipeg, Manitoba <i>Responsible for auditing the most recently filed annual financial statements of the Pools.</i>
<b>Independent Review Committee</b>	The Value Partners Pools Independent Review Committee (IRC) consists of three individuals, each of whom is independent from the Manager and companies related to the Manager. The mandate of the IRC is to consider conflicts of interest of the Manager that are referred to the IRC by the Manager as required by applicable securities laws. The IRC prepares a report of its activities for unitholders at least annually, the most recent of which is available on the website of the Manager at <a href="http://www.valuepartnersinvestments.ca">www.valuepartnersinvestments.ca</a> . It is also available free of charge from the Manager on request by calling toll-free at 1-866-323-4235 or by email at <a href="mailto:info@vpinvestments.ca">info@vpinvestments.ca</a> . Additional information about the IRC including the names of the members of the IRC is available in the annual information form of the Pools.

<b>Securities Lending Agent</b>	The Pools do not currently engage in securities lending. In the event that a Pool engages in securities lending, the Manager will appoint RBC Investor Services Trust of Toronto, Ontario as the securities lending agent for the Pools. RBC Investor Services Trust is not an affiliate of the Manager.
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Value Partners will give you 60 days' prior written notice of any change to the basis of the calculation of the fees or expenses that are charged to a Pool or its unitholders by an arm's length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to a Pool or its unitholders by an arm's length party that could result in an increase in charges. You will not be asked to vote on any such change or new fee or expense.

Value Partners may decide to merge one Pool with another Pool, provided that it complies with applicable securities regulation and obtains the approval of the IRC for such merger transaction. You may not be asked to vote on such transaction if you are an investor in the merging Pool, but you will receive at least 60 days' notice of such merger transaction.

Value Partners may decide to change the auditors of the Pools, subject to compliance with disclosure requirements of securities regulators and IRC approval. You will not be asked to vote on this change, but you will receive 60 days' advance notice of the change if the IRC approves the proposed change.

## **Purchases, Switches and Redemptions**

### **Description of Units**

Each Pool is authorized to have an unlimited number of series of units and may issue an unlimited number of units of each series. You can invest in any Pool by purchasing Series A units, Series F units and/or Series O units. Series A units are available to all investors. Series F units are available only to certain investors, usually those investors who have fee-based accounts with dealers which have executed a Series F agreement with Value Partners. Series O units are for investors who have, or whose dealer has, entered into an agreement directly with Value Partners to purchase Series O units and who make the required minimum investment and minimum additional investment as set out by Value Partners from time to time. Investors may also invest in Series O units of the Value Partners Pools if they open a discretionary investment management account with Value Partners. Series O investors will pay a negotiated fee directly to Value Partners. No management fees are charged to the fund with respect of Series O units. Because of their different purchase options and availability, Series F units have different management fees than Series A units as described in this simplified prospectus under "Fees and Expenses".

Value Partners may decide to offer additional series of units in the future, without your consent or notice to you.

You may purchase, switch or redeem Series A and Series F units of a Value Partners Pool through dealers, subject to the above-noted availability of Series F units. Series O units

may be purchased, switched or redeemed through Value Partners only (or through dealers if applicable), subject to the above-noted availability of Series O units.

A unit of a particular series of a Pool can be purchased, redeemed or switched at its current series net asset value (NAV). Except for Series O units, each series of units pays its proportionate share of common fund expenses, in addition to expenses that are unique to that series. Proportionate fund expenses for Series O units, both common fund expenses, as well as expenses unique to Series O, are paid by Value Partners. The differences in expenses and fees among the series mean that each series of a Pool has a different NAV per unit. For each series of units of a Pool, NAV per unit of that series is calculated by determining the series' proportionate share of the value of the Pool's assets, subtracting the liabilities associated with that series and then dividing the result by the number of units in that series held by investors in the Pool.

The series NAV per unit of each series of a Value Partners Pool is calculated at the close of business on each day that the Toronto Stock Exchange (TSX) is open.

Purchase, switch or redemption orders received by or on behalf of a Pool before 4:00 p.m. (ET) on any day that the TSX is open will be processed that day at the applicable series NAV per unit determined at the close of business on that day. Orders received after 4:00 p.m. (ET) or on a day when the TSX is not open for business will be processed the following valuation day at the applicable series NAV per unit determined at the close of business of that day. If the TSX closes earlier than 4:00 p.m. (ET) on any day, the Manager may impose an earlier deadline for receipt of orders on that day.

### **Purchasing Units**

You can invest in Series A or Series F units of the Value Partners Pools by completing a Value Partners purchase application, which can be obtained from your dealer, and by giving the completed purchase application and your money to invest in the Pools to your dealer, indicating in which series of units you wish to invest.

You can invest in Series O units of the Value Partners Pools by completing a Value Partners purchase application, which can be obtained from Value Partners or your dealer (as applicable), and by giving the completed purchase application and your money to invest in the Pools directly to Value Partners or your dealer (as applicable).

To invest in any series of units of the Value Partners Pools, other than Series O units, you must initially invest a minimum of \$25,000, which can be invested in any one or more of the Pools, provided that you invest at least \$10,000 in a single series of units of each applicable Pool. You must invest at least \$50 per Pool for each subsequent investment. Value Partners may waive these minimum purchase levels from time to time.

Series O investors that open a discretionary investment management account with Value Partners are not subject to any minimum investment requirements for initial or subsequent investment in the Pools. These investors are, however, subject to minimum investment thresholds for holding a discretionary investment management account with Value Partners. Minimum initial investments and minimum additional investments in the Pools

for other Series O investors that have not opened up a discretionary investment account with Value Partners will be negotiated by Value Partners at the time of investment.

Value Partners may close your account if its value falls significantly below \$25,000 or the negotiated minimum amount, whether due to redemptions, switches or market fluctuations. In the event that Value Partners decides to close your account you will receive at least 60 days' advance notice so that you can make additional investments. If you do not make additional investments within those 60 days and the value of your account remains significantly below \$25,000 or the negotiated minimum amount Value Partners will redeem your account in full and send you a cheque for the full amount, less any outstanding fees that are payable by you.

Value Partners may reject your purchase order provided it is done within one business day of receiving it. Any money sent with your order will be returned to you or your dealer once the payment clears.

If your purchase order is placed in advance of forwarding your purchase money and if Value Partners does not receive your payment within two business days of processing your purchase order, Value Partners will redeem your units on the next business day. If the proceeds of that redemption are greater than the purchase payment you owe, the Pool will keep the difference. If the redemption proceeds are less than the payment you owe, the difference will be paid to the Pool on your behalf and the amount collected from your dealer, who may collect the amount from you.

#### *Series A Units*

If you invest in Series A units of a Value Partners Pool, you will pay a negotiated sales commission to your dealer at the time you purchase those units. The sales commission will be a percentage of the amount you invest. Value Partners will also pay trailing commissions to your dealer if you invest in Series A units. Please see "Fees and Expenses Payable Directly by You" and "Dealer Compensation" for more information on sales and trailing commissions.

#### *Series F Units*

If you invest in Series F units of a Value Partners Pool, your dealer must have signed a Series F agreement with Value Partners. To qualify for investing in Series F units, generally you must have a fee-based account with your dealer. This means that you will have agreed with your dealer on the fees that you will pay to your dealer in connection with your account with that dealer.

You may pay these fees (plus any applicable taxes) directly to your dealer, or you may pay these fees (plus any applicable taxes) by redeeming some of the Series F units that you own in the Pool. When these fees are paid by redeeming units, your dealer will provide Value Partners with your fee-based account agreement and the annual fee indicated in the agreement is calculated daily and paid monthly to your dealer. The payment frequency is subject to change at the discretion of Value Partners.

Value Partners does not pay a trailing commission to your dealer if you invest in Series F units.

### *Series O Units*

Series O units of the Value Partners Pools are not available to all investors. They are only available to investors who have, or whose dealer has, entered into an agreement directly with Value Partners to purchase Series O units and who make the required minimum investment and minimum additional investment as set out by Value Partners from time to time. Investors may also invest in Series O units of the Value Partners Pools if they open a discretionary investment management account with Value Partners.

No management fees are charged to the Funds with respect to Series O units. Instead, each investor negotiates a separate fee that is paid directly to Value Partners. There is no sales or trailing commission payable to dealers by Value Partners on the sale of these units.

### **Switching Units**

You can switch your investments between the Value Partners Pools, by redeeming units of a Value Partners Pool you own and purchasing units of another Value Partners Pool, provided that after the switch you continue to hold a minimum of \$10,000 in each Value Partners Pool in which you hold units. You can give your switch instructions to your dealer. Switch instructions for Series O units can be given directly to Value Partners. You will not typically pay any switch fee, unless you make a switch within 30 days of purchasing the units being switched. If units are switched from a Pool within 30 days of purchasing them, you may be subject to the short-term trading fee described under “Restrictions on Excessive Trading of Units”. The switch of units of one Pool for units of another Pool has the same tax implications for investors as for other redemptions. Please see “Income Tax Considerations for Investors” for more information.

You can switch units of one series of a Pool for units of another series of any Pool, provided you meet the eligibility requirements for the Series F and Series O units if you wish to switch into either of these series. The amount of your investment, less any fees, which are paid by redeeming units, will be the same after the change. You will, however, own a different number of units because each series has a different NAV per unit.

Changing units from one series to another series of the same Pool will not trigger a capital gain or loss for income tax purposes.

### **Redeeming Units**

Except for Series O units, you can redeem units of any Value Partners Pool you own by sending your signed instructions in writing, with your signature guaranteed by a chartered bank, trust company or other acceptable financial institution, to your dealer. Instructions to redeem Series O units can be sent directly to Value Partners. If the registered owner of the units is a corporation, partnership, agent, fiduciary or surviving joint owner, Value Partners may require additional information. If you redeem your units and the value of your account falls below \$25,000, or the negotiated minimum amount, Value Partners may seek to close your account as described above.

Payment of the proceeds of the redemption of your units will be made within two business days following receipt of your redemption request in proper order. Payment will be made either by cheque or electronically. Payment by cheque will be made by first class mail to your last address that appears on the register of unitholders, unless you provide other specific instructions.

Value Partners will not charge you a redemption fee or any other charge on a redemption under normal circumstances, however you may be required to pay a short-term trading fee of 2 percent of the amount redeemed if you redeem your units within 30 days after purchasing them. This short-term trading fee will be paid to the applicable Pool. See “Short-Term Trading” for more information.

### **Suspending Your Right to Redeem Units**

Value Partners may temporarily suspend your right to redeem units of a Pool and postpone payment of redemption proceeds as permitted by securities regulation:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50 percent of the Pool’s value or its underlying market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Pool or;
- with the approval of the Canadian securities regulators.

Value Partners will not accept orders to buy units during any period when investors’ rights to sell units of that Pool have been suspended.

Your right to redeem units of a Pool may be suspended whenever the right to redeem securities is suspended for any underlying fund in which the Pool invests all of its assets directly or indirectly.

### **Short-Term Trading**

The Value Partners Pools should be considered long-term investments and Value Partners discourages investors from buying and then redeeming or switching units with excessive frequency. Excessive trading is discouraged because, among other things, this practice generates significant costs, which can reduce a Pool’s returns, thereby affecting all unitholders. Excessive trading can also interfere with the long-term investment decisions of the Portfolio Managers.

Value Partners may consider you to be trading excessively, in its discretion, if

- you send a purchase order for units of a Pool, within 90 days of redeeming units in that Pool;
- you send a switch order, other than pursuant to the systematic switching plan, for switching units of any Pool into another Pool, within 90 days of making any other switch or purchasing those units;

- you send a redemption order, other than a systematic withdrawal, for redemption of units of any Pool within 90 days of purchasing those units, including on a switch; or
- your order to purchase, switch or redeem would disrupt the efficient and cost-effective management of the Pools.

If, using the above criteria, Value Partners determines that the investor is trading excessively, Value Partners may refuse any order to buy or switch units or if the order is not refused, charge a short-term trading fee. If Value Partners refuses an order to buy units, all moneys received with the investor's order will be returned immediately, or as soon as the payment clears. Value Partners may also charge a short-term trading fee, which will be paid to the applicable Pool, if you redeem or switch units within 30 days of purchasing those units. While these restrictions and our monitoring attempt to deter short term trading, we cannot ensure that such trading will be completely eliminated.

Please see "Short-Term Trading Fee" under "Fees and Expenses Payable Directly by You".

### **Optional Services**

You can take advantage of the following programs and services when you invest in any of the Value Partners Pools.

#### **Registered Plans**

You can invest in the Pools using Canadian dollars, through any of the following registered plans, (some of which may not be available in all provinces). Value Partners or your dealer, as applicable, can give you an application and tell you whether you can invest through a registered plan in your province

- Registered Retirement Savings Plans (RRSPs)
- Locked-in Retirement Accounts (LIRAs)
- Locked-in Retirement Savings Plans (LRSPs)
- Registered Retirement Income Funds (RRIFs)
- Locked-in Retirement Income Funds (LRIFs)
- Life Income Funds (LIFs)
- Prescribed Retirement Income Funds (PRIFs)
- Registered Education Savings Plans (RESPs) (self-directed RESPs only)
- Registered Disability Savings Plans (RDSPs) (self-directed RDSPs only)

- Tax-free savings accounts (TFSA's)
- Restricted Life Income Funds (RLIFs)
- Restricted Locked-In Savings Plans (RLSPs)

### **Pre-Authorized Chequing Plan**

You can make regular investments in one or more of the Pools through a pre-authorized chequing plan. You can start the plan by completing an application, which is available from Value Partners or your dealer, as applicable. Your initial and any subsequent investment must meet the minimum investment amounts as described in "Purchasing Units". You can choose to have the regular investment take place on any day of every month with a frequency of weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. Money will automatically be transferred from your bank account to the Pools you choose. You can change or cancel your plan at any time by giving Value Partners 48 hours advance notice.

### **Systematic Withdrawal Plan**

You can receive regular payments from your Pools through a systematic withdrawal plan. You can start the plan by completing an application, which is available from Value Partners or your dealer, as applicable. Value Partners will redeem the necessary number of units to meet your pre-determined dollar amount. You can choose to have the redemption take place on any day of every month with a frequency of weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. You can change or cancel your plan at any time by giving Value Partners at least 48 hours advance notice. If by entering into a systematic withdrawal plan you will be redeeming your units within 30 business days of purchasing them, you may have to pay a short-term trading fee. See "Restrictions on Excessive Trading of Units". If the value of your account falls below \$25,000, Value Partners may seek to close your account as described above under "Purchasing Units".

### **Systematic Switching Plan**

You can make regular switches between the Value Partners Pools through a systematic switching plan. You can start the plan by completing an application, which is available from Value Partners or your dealer. In accordance with your instructions, Value Partners will redeem the necessary number of units of one Value Partners Pool and purchase units of another Value Partners Pool, provided that after each switch you continue to hold a minimum of \$10,000 in each Value Partners Pool in which you hold units. You must transfer at least \$50 per systematic switch. You can choose to have the transfer take place on any day of every month with a frequency of weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. You can change or cancel your plan at any time by giving Value Partners at least 48 hours advance notice.

### **Fees and Expenses**

This table lists the fees and expenses that you will pay if you invest in the Value Partners Pools. You may have to pay some of these fees and expenses directly. The Pools will pay

some of these fees and expenses, which will therefore reduce the value of your investment in the Pools.

### **Fees and Expenses Payable by the Pools**

Management Fees	<p>Except for Series O units, each series of units of a Pool pays an annual management fee that is calculated based on the weighted net asset value of the series, calculated daily and payable monthly.</p> <p>In exchange for the management fee, Value Partners manages the business and affairs of the Pools, providing certain services to the Pools including the following:</p> <ul style="list-style-type: none"> <li>• appointing and monitoring portfolio managers for the Pools</li> <li>• determining the investment objectives and strategies for the Pools</li> <li>• dealing with the purchases and redemptions of securities of the Pools</li> <li>• arranging for the distribution of securities of the Pools, including the payment of any dealer compensation</li> <li>• engaging service providers for the Pools, including the auditor, custodian and recordkeeper, and monitoring those service providers, and negotiating and entering into all contractual arrangements on behalf of the Pools</li> <li>• preparing and filing the prospectus and other documents for the Pools, including financial statements and tax returns</li> <li>• reporting to the IRC</li> <li>• ensuring Pools are operating in compliance with regulatory requirements</li> </ul> <p>The annual management fee charged for each series of the Pools is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%;">Series A units</th> <th style="width: 15%;">Series F units</th> <th style="width: 15%;">Series O units</th> </tr> </thead> <tbody> <tr> <td>VPI Income Pool</td> <td style="text-align: center;">1.80%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">0.00%</td> </tr> <tr> <td>VPI Canadian Equity Pool</td> <td style="text-align: center;">1.80%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">0.00%</td> </tr> <tr> <td>VPI Foreign Equity Pool</td> <td style="text-align: center;">1.80%</td> <td style="text-align: center;">0.90%</td> <td style="text-align: center;">0.00%</td> </tr> </tbody> </table>				Series A units	Series F units	Series O units	VPI Income Pool	1.80%	0.90%	0.00%	VPI Canadian Equity Pool	1.80%	0.90%	0.00%	VPI Foreign Equity Pool	1.80%	0.90%	0.00%
	Series A units	Series F units	Series O units																
VPI Income Pool	1.80%	0.90%	0.00%																
VPI Canadian Equity Pool	1.80%	0.90%	0.00%																
VPI Foreign Equity Pool	1.80%	0.90%	0.00%																

	VPI Value Pool	1.80%	0.90%	0.00%
	VPI Canadian Balanced Pool	1.80%	0.90%	0.00%
	VPI Mortgage Pool	1.00%	0.50%	0.00%
	VPI Dividend Growth Pool	1.80%	0.90%	0.00%
	<p>Fees for Series O units are negotiated and paid directly by the investor, not by the Fund, and will not exceed the Series A management fee of the Fund.</p> <p>The management fee varies by series due to the purchase options available to unitholders of each series.</p> <p>If you own Series A or Series F units, you may be eligible for a reduced management fee as described below in “Management Fee Reduction Program”. Series O units are not eligible for this program.</p> <p>Management fees are subject to applicable taxes, including HST.</p>			
Operating Expenses	<p>Except for Series O units, each series of units of a Pool pays its proportionate share of common operating expenses of that Pool, in addition to expenses that are unique to that series. Common operating expenses for a Pool include:</p> <ul style="list-style-type: none"> <li>• brokerage commissions and fees;</li> <li>• audit, legal and filing fees;</li> <li>• custodian, record-keeping, and trustee fees;</li> <li>• taxes;</li> <li>• investor servicing costs;</li> <li>• costs of unitholder reports, financial reporting, prospectuses, regulatory filings, and other communications.</li> </ul> <p>Each Pool also pays its proportionate share of the fees and expenses of the Value Partners Pools Independent Review Committee: \$6,800 to committee members and \$7,800 to the Chairman as an annual retainer and \$1,000 per meeting fee.</p> <p>Proportionate fund expenses for Series O units, including common fund expenses, as well as expenses unique to Series O, are paid by Value Partners.</p> <p>Value Partners may, from time to time, absorb a portion of the operating expenses of the Pools. Value Partners expects to absorb</p>			

	expenses so that each of the Series A and Series F units of a Pool pay maximum operating expenses of 0.5 percent of its average series net asset value. Value Partners may discontinue absorbing these expenses at any time in its discretion.
Fund-of-Funds Fees and Expenses	Where a Pool invests in an underlying fund, the fees and expenses payable in connection with the management of the underlying fund are in addition to those payable by the Pool. However, no management fees or incentive fees will be payable by the Pool which, to a reasonable investor, would duplicate a fee payable by the underlying fund for the same service. In addition, a Pool will not pay sales fees or redemption fees with respect to the purchase or redemption by it of securities of an underlying fund that, to a reasonable person, would duplicate a fee payable by an investor in the Pool.

### **Fees and Expenses Payable Directly by You**

Sales Commission – Series A units	For Series A units, you will be required to pay a sales commission to your dealer, negotiable by you up to a maximum of 4.0 percent of the amount you invest.  You pay no sales commission at the time you purchase when you invest in Series F units. However, you will negotiate the fees that you will pay to your dealer for your account with that dealer if you invest in Series F units.
Switch or Redemption fees	None.
Advice and/or other services fee – Series O units	For Series O units, you pay a negotiated fee to Value Partners. This fee will not exceed the Series A management fee of the Fund.
Short-term trading fee	2 percent of the total amount you redeem, if you redeem or switch your units within 30 days of purchasing them or if Value Partners considers that you are trading excessively.  See “Short-Term Trading”.
Registered plan fees	None.
Pre-authorized chequing plan	None.
Systematic withdrawal plan	None.

Systematic switching plan	None.
Administrative fees	\$30 if purchase cheque is returned because of insufficient funds.

### **Management Fee Reduction Program**

Value Partners offers a Management Fee Reduction Program to qualified investors in Series A and Series F units. If you qualify under this program, the management fee charged to the Pool is reduced and the Pool distributes the amount of the reduction to you by way of a management fee distribution. Management fee distributions are paid first out of net income and net realized capital gains and thereafter, out of capital. The tax consequences of management fee distributions made by a Pool generally will be borne by the investors receiving the management fee distributions. Management fee distributions are automatically reinvested in additional units of a particular series of the Pool unless negotiated otherwise. Management fee distributions are calculated and accrued daily in arrears and distributed at least quarterly by the Pool to the relevant investor.

The Management Fee Reduction Program will allow unitholders to benefit from management fee reductions of up to 0.60 percent annually. Based on the net asset value of a unitholder's units in the Value Partners Pools, management fee reductions may apply to all or portions of the unitholder's aggregate investment in the Value Partners Pools. The Management Fee Reduction Program is only available to investors who have an account having a net asset value of units in the Value Partners Pools in excess of \$250,000 and who remain invested in any of the Value Partners Pools for a minimum period of time as determined by Value Partners. No special instructions are required from unitholders to indicate their intent to participate in the Management Fee Reduction Program, but you must invest in Series A or Series F units to qualify. Any unitholder that meets the specified criteria will automatically receive the benefit of the applicable fee reduction.

The calculation of the average series net asset value of units of the Value Partners Pools will be based on the daily aggregate of an investor's investment, on a per account basis, in the Value Partners Pools for each month of a calendar year.

The applicable fee reduction for a qualified investor with an account having a net asset value of units in the Pools in excess of \$250,000, but less than \$500,000, will be calculated as follows:

- the qualified investor will receive no fee reduction for the first \$250,000 of the series net asset value of the units of the Value Partners Pools;
- for Series A units, the qualified investor will receive a fee reduction of up to 0.30 percent annually on the portion of the series net asset value of the units of the Value Partners Pools that is greater than \$250,000; for the VPI Mortgage Pool, the fee reduction will be up to 0.15 percent annually on the portion of the series net asset value of the units of the VPI Mortgage Pool that is greater than \$250,000;

- for Series F units, the qualified investor will receive a fee reduction of up to 0.15 percent annually on the portion of the series net asset value of the units of the Value Partners Pools that is greater than \$250,000; for the VPI Mortgage Pool, the fee reduction will be up to 0.05 percent annually on the portion of the series net asset value of the units of the VPI Mortgage Pool that is greater than \$250,000; and
- Series O units are not eligible for the Management Fee Reduction Program.

The applicable fee reduction for a qualified investor with an account having a net asset value of units in the Pools in excess of \$500,000, but less than \$1,000,000, will be calculated as follows:

- for Series A units, the qualified investor will receive a fee reduction of up to 0.50 percent annually of the series net asset value of all units of the Value Partners Pools; for the VPI Mortgage Pool, the fee reduction will be up to 0.30 percent annually of the series net asset value of all units of the VPI Mortgage Pool;
- for Series F units, the qualified investor will receive a fee reduction of up to 0.35 percent annually of the series net asset value of all units of the Value Partners Pools; for the VPI Mortgage Pool, the fee reduction will be up to 0.10 percent annually of the series net asset value of all units of the VPI Mortgage Pool; and
- Series O units are not eligible for the Management Fee Reduction Program.

The applicable fee reduction for a qualified investor with an account having a net asset value of units in the Pools in excess of \$1,000,000, but less than \$2,500,000 will be calculated as follows:

- for Series A units, the qualified investor will receive a fee reduction of up to 0.55 percent annually of the series net asset value of all units of the Value Partners Pools; for the VPI Mortgage Pool, the fee reduction will be up to 0.30 percent annually of the series net asset value of all units of the VPI Mortgage Pool;
- for Series F units, the qualified investor will receive a fee reduction of up to 0.40 percent annually of the series net asset value of all units of the Value Partners Pools; for the VPI Mortgage Pool, the fee reduction will be up to 0.10 percent annually of the series net asset value of all units of the VPI Mortgage Pool; and
- Series O units are not eligible for the Management Fee Reduction Program.

The applicable fee reduction for a qualified investor with an account having a net asset value of units in the Pools in excess of \$2,500,000, but less than \$5,000,000 will be calculated as follows:

- for Series A units, the qualified investor will receive a fee reduction of up to 0.60 percent annually of the series net asset value of all units of the Value Partners Pools;

for the VPI Mortgage Pool, the fee reduction will be up to 0.30 percent annually of the series net asset value of all units of the VPI Mortgage Pool;

- for Series F units, the qualified investor will receive a fee reduction of up to 0.45 percent annually of the series net asset value of all units of the Value Partners Pools; or the VPI Mortgage Pool, the fee reduction will be up to 0.10 percent annually of the series net asset value of all units of the VPI Mortgage Pool; and
- Series O units are not eligible for the Management Fee Reduction Program.

For investments of \$5,000,000 or more, Value Partners will consider management fee reductions in excess of those outlined above.

Value Partners also offers an account linking service, where the management fee reduction applicable to accounts having a net asset value of units in the Pools in excess of \$500,000 noted above would apply across accounts in one Household Group that together meet the \$500,000 threshold for the reduction. Accounts that are eligible to be linked as a Household Group are those that meet one of the following conditions: (i) accounts that belong to the investor, his/her spouse and family members residing at the same address, or (ii) corporate accounts, where the investor, his/her spouse or family members residing at the same address own more than 50% of the equity of the corporation and more than 50% of the voting shares of the corporation. In order to link your eligible accounts into one Household Group, your dealer must complete certain account linking documentation and provide it to us. Once this has been completed, all accounts in the Household Group that together have a net asset value of units in the Pools in excess of \$500,000 will receive the management fee reduction noted above.

Value Partners may vary the terms, conditions and investor qualifications of the Management Fee Reduction Program from time to time or may discontinue the program in its sole discretion.

### Impact of Sales Charges

The following table shows the maximum amount of fees that you would have to pay under the purchase options that are available to you, if you made an investment of \$1,000 in any of the series of units of any of the Pools and if you held that investment for one, three, five, or ten years and redeemed immediately before the end of that period. It assumes that:

- the sales charge for Series A units is 4 percent. See “Fees and Expenses Payable Directly by You” for the sales commission rates;

	At time of purchase	1 Year	3 Years	5 Years	10 Years
Sales Commission – Series A units	\$40	-	-	-	-

	At time of purchase	1 Year	3 Years	5 Years	10 Years
No load— Series F and Series O units <sup>(1)</sup>	-	-	-	-	-

(1) There are no sales or redemption charges if you invest in Series F or Series O units. However, you will negotiate the fees that you will pay to your dealer for your account with that dealer if you invest in Series F units.

### **Dealer Compensation**

Your dealer may be entitled to receive a sales commission when you purchase units of the Pools. The amount and responsibility for paying the sales commission depends on the series of units being purchased.

Value Partners may pay your dealer (including a discount broker) a trailing commission based on the value of units you hold in the Pools. These trailing commissions are paid for services they provide to you, including giving you investment advice, providing you with account statements and sending you newsletters and other information about the Pools or mutual funds generally.

Trailing commissions are calculated and paid monthly based on the value of the applicable units in each account held by your dealer's clients. Value Partners reserves the right to modify or cancel the trailing commissions payable to dealers at any time at its discretion.

The applicable sales commissions and trailing commissions for each series of units of the Value Partners Pools are set out below.

#### *Series A units*

You negotiate a sales commission with your dealer when you place a purchase order for Series A units of any of the Pools. Your dealer will retain that sales commission, which may be up to 4 percent of the amount you invest in Series A units. This commission is paid by you and is deducted from your investment.

Value Partners will pay trailing commissions to your dealer (including a discount broker) in respect of your investment in Series A units. It is not an additional charge to you. The annual rate of trailing commissions on Series A units will be:

- For accounts having an aggregate net asset value of less than \$250,000:
  - 0.90 percent in each Value Partners Pool (other than the VPI Mortgage Pool); and
  - 0.50 percent in the VPI Mortgage Pool.

- For accounts having an aggregate net asset value in excess of \$250,000, but less than \$500,000:
  - 0.90 percent for the first \$250,000 and 0.75 percent for amounts over \$250,000 in each Value Partners Pool (other than the VPI Mortgage Pool); and
  - 0.50 percent for the first \$250,000 and 0.40 percent for amounts over \$250,000 in the VPI Mortgage Pool.
- For accounts (or for Household Groups under our account linking service) having an aggregate net asset value in excess of \$500,000:
  - 0.75 percent in each Value Partners Pool (other than VPI Mortgage Pool); and
  - 0.30 percent in the VPI Mortgage Pool.

*Series F units*

You will negotiate the fees that you will pay to your dealer for your account with that dealer if you invest in Series F units. These units are only available to investors who have fee-based accounts with dealers which have executed a Series F agreement with Value Partners. The fees that you pay to your dealer may be paid directly by you or may be paid by redeeming some of the units you own on a monthly basis.

Value Partners does not pay a sales or trailing commission to your dealer if you invest in Series F units of any of the Pools.

*Series O units*

There are no sales or trailing commissions payable to dealers by Value Partners on the sale of Series O units.

**Other Dealer Compensation**

Value Partners may reimburse your dealer for a portion of the expenses they incur in selling the Pools, including their expenses related to

- advertising the Pools and mutual funds generally and conducting other marketing of the Pools and mutual funds generally;
- educational seminars held by the dealer for their clients about the Pools or mutual funds generally; or
- educational seminars or conferences organized by the dealer for their sales representatives or attended by their sales representatives.

Value Partners can change or cancel its support of the marketing and educational costs of dealers at any time.

### **Dealer Compensation from Management Fees**

During the financial year of Value Partners ended March 31, 2019, Value Partners paid total cash compensation (sales commissions, trailing commissions and other cash compensation) to dealers (including discount brokers) who distributed units of the Pools representing approximately 49.4 percent of the total management fees that Value Partners received from the Pools during that year.

### **Ownership of the Manager**

As of the date of this prospectus, Value Partners Group Inc. (“VPGI”) holds all of the issued and outstanding shares of Value Partners. VPGI is 37.3 percent owned by Longton Ltd., whose shareholders include specified members of the Lawton family including Paul Lawton and Sean Lawton. Paul Lawton is a senior officer of VPGI as well as a director and officer of Value Partners. Sean Lawton is a director, officer and advisor of Lawton Partners Financial Planning Services Limited (“Lawton Partners”), which is a mutual fund dealer and distributor of the Pools, and an affiliate of Value Partners by virtue of its common ownership by VPGI.

Other beneficial interests in the common equity of Value Partners (through investment in VPGI) are as follows:

- Sales representatives and employees of Lawton Partners, collectively own Class A1 shares of VPGI representing 18.2 percent of the common equity of VPGI and Class C1 shares representing an additional 6.2 percent of the common equity of VPGI.
- Sales representatives of the following dealers collectively own Class A1 shares of VPGI which represent the percentage of the common equity of VPGI indicated below:
  - Aligned Capital Partners – 0.6 percent
  - Belay Wealth – 0.1%
  - D.W. Good Investment Co. Ltd. – 0.1 percent
  - Desjardins Financial Security Investments Inc. – 0.4 percent
  - FundEX Investments – 1.4 percent
  - Industrial Alliance – 0.8 percent
  - Integral Wealth Securities – 0.4 percent
  - Investia Financial Services Inc. – 1.1 percent

- IPC Investment Corporation – 4.4 percent
- IPC Securities Corporation – 3.2 percent
- Manulife Securities Investment Services Inc. – 1.5 percent
- Portfolio Strategies Corporation – 0.6 percent
- Quadrus Investment Services Ltd. – 3.0 percent
- Worldsource Financial Management Inc. – 0.9 percent
- Class A1 shares representing 1.9 percent and Class C1 shares representing 13.4 percent of the common equity of VPGI are held by employees or former employees, consultants and/or directors of VPGI or Value Partners.
- Class A1 shares representing 1.4 percent and Class C1 shares representing 0.5 percent of the common equity of VPGI are held by VP Capital Inc., an affiliated entity.

Sales representatives of other dealers may acquire Class A1 shares of VPGI after the date of this simplified prospectus.

Although sales representatives in aggregate will not hold a controlling interest in VPGI, typically they hold approximately 40 percent of the common equity of VPGI. No individual sales representative is expected to hold more than 5 percent of the common equity of VPGI. Sales representatives that hold shares of VPGI may be located in any jurisdiction of Canada, and will stand to benefit from the inflow of client money to the Pools.

After the date hereof, up-to-date information on the aggregate amount of Class A1 shares and Class C1 shares held by sales representatives of each applicable dealer firm and, if applicable, the names of sales representatives that hold more than five percent of the Class A Shares or the Class C1 shares can be obtained at no cost by calling 1-866-323-4235 or by going on our website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca). We will post monthly updates of this information on our website. You can also ask us to send this information to you by emailing [info@vpinvestments.ca](mailto:info@vpinvestments.ca)

If your sales representative holds an interest in VPGI, you will receive a disclosure statement describing for you the amount so held before you invest in the Value Partners Pools and you must consent to the trade to you of units of the Value Partners Pools. If the branch manager or other supervisor of your sales representative holds an interest in VPGI, you will also receive a disclosure statement describing for you the amount that branch manager or supervisor holds before you invest in the Value Partners Pools and you must consent to the trade to you of units of the Value Partners Pools. No sales representative or applicable dealer firm has any obligation because of the sales representative's investment in VPGI to recommend that you invest in a Value Partners Pool. An investment in VPGI

is made by a sales representative personally and should not be considered a recommendation or endorsement of the Value Partners Pools by that sales representative's dealer firm.

### **Income Tax Considerations for Investors**

This summary assumes that you are an individual resident in Canada and that you hold units of a Pool as capital property for the purposes of the Income Tax Act (Canada) (the "Tax Act"). This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Investors should seek independent advice regarding the tax consequences of investing in units, based on the investor's own particular circumstances. More detailed information is in the Pools' annual information form.

#### **For Units Held in a Registered Plan**

The units of the Pools are qualified investments under the Tax Act, or in the case of VPI Dividend Growth Pool are expected to be qualified investments under the Tax Act effective at all material times, for RRSPs, RRIFs, RESPs, RDSPs, TFSAs and deferred profit sharing plans (collectively "Registered Plans"). Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs, and subscribers of RESPs should consult with their own tax advisors as to whether units would be a prohibited investment under the Tax Act in their particular circumstances. If units of a Pool are held in a Registered Plan, distributions from the Pool and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a TFSA are generally not subject to tax, and RESPs and RDSPs are subject to special rules).

#### **For Units Not Held in a Registered Plan**

If you hold units of a Pool outside of a Registered Plan, in computing your income for tax purposes you will be required to include the amount (computed in Canadian dollars) of the net income and the taxable portion of the net capital gains paid or payable to you by the Pool in the year (including by way of management fee distributions), whether you receive these distributions in cash or they are reinvested in additional units. Provided the appropriate designations are made by a Pool, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of a Pool paid or payable to you by the Pool will effectively retain their character and be treated as such in your hands. To the extent that the distributions to you by a Pool in any year exceed your share of the net income and net capital gains of the Pool allocated to you for that year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to you but will reduce the adjusted cost base of your units of the Pool.

You will be taxed on distributions of income and capital gains from a Pool, even if the income and capital gains accrued to the Pool or were realized by the Pool before you acquired the units and were reflected in the purchase price of the units. In most cases, the most significant distributions of income and capital gains of a Pool occur in December. However, distributions can be made at any time in the calendar year at the discretion of Value Partners. Management fee distributions are calculated and accrued daily.

A Pool's portfolio turnover rate indicates how actively the Pool's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100 percent is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher a 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 that you will receive a distribution from the Pool that must be included in your income for tax purposes for that year.

You should consult with your tax advisor regarding the deductibility of fees paid by you in connection with Series O units.

If you dispose of a unit, whether by switch, redemption or otherwise, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the unit. Changing units of one series of a Pool into units of another series of the same Pool will not result in a capital gain or loss to you.

In general, the aggregate adjusted cost base of your units of a series of a Pool equals:

- your initial investment (including any sales charges paid)
- plus the cost of any additional investments (including any sales charges paid)
- plus reinvested distributions
- minus the capital returned in any distributions
- minus the adjusted cost base of any previous redemptions

The adjusted cost base to you of a unit will generally be determined by reference to the average adjusted cost base of all units of the same series of the Pool held by you at the time of the disposition.

You should keep detailed records of the purchase cost, sales charges and distributions related to your units as this is the only way to accurately calculate the adjusted cost base of those units. Determination of adjusted cost base can involve complex issues and we recommend that you obtain legal and/or tax advice to assist you with those calculations.

If you hold units outside of a Registered Plan, Value Partners will cause a tax statement to be issued to you each year identifying your distributions.

### **Tax information Reporting**

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the "IGA"), and related Canadian legislation, the Pools and/or registered dealers are required to report certain information with respect to unitholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered plans such as RRSPs), to Canada Revenue Agency ("CRA"). The CRA will then exchange the information with the U.S. Internal Revenue Service. In

addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the “CRS”), the Pools and/or registered dealers are required under Canadian legislation to identify and report to the CRA certain information relating to certain unitholders in the Pools (excluding registered plans such as RRSPs) who are residents in a country outside of Canada and the U.S. The CRA will provide that information to the tax authorities of the relevant jurisdiction that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under the CRS.

### **What are your Legal Rights?**

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult with your lawyer.

## Specific Information About Each of the Pools Described in this Document

### Introduction

In the pages that follow, you will find a description of each Value Partners Pool. The following information is provided about each Pool:

- *Pool Details*

This table provides a brief overview of each Pool – what type of Pool it is, when it was established, the types of securities offered and the Pool’s eligibility for registered plans. All of the Pools offer three series of units: Series A, Series F and Series O. Each series is described under “Purchasing Units”.

- *What does the Pool invest in?*

This section outlines the investment objectives of each Pool and the principal investment strategies that the portfolio manager uses to achieve the Pool’s investment objectives.

Generally, the investment objectives of a Pool cannot be changed without unitholder approval, but the manager and the portfolio manager may change the investment strategies it uses, from time to time, to meet those investment objectives.

Securities lending, repurchase and reverse repurchase transactions earn additional income for the Pools. On any securities lending, repurchase and reverse repurchase transaction, the Pools must:

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Pool’s manager, portfolio manager or trustee;
- hold collateral equal to a minimum of 102 percent of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the collateral’s value relative to the market value of the securities loaned, sold or purchased remains at or above the minimum 102 percent limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to no more than 50 percent of the net asset value of the Pool (without including the collateral for loaned securities and cash for sold securities).

- *What are the risks of investing in the Pool?*

This section highlights the specific risks of each Pool. The risks may be associated with either investments made directly by a Pool, or investments held by a Pool in an underlying fund. You will find general information about the risks of investing and descriptions of each specific risk in “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”

### **Portfolio Risk Classification**

We assign an investment risk rating to each Pool to help you determine whether the Pool is appropriate for you. Each Pool is assigned an investment risk rating in one of the following categories further described below: low, low-to-medium, medium, medium-to-high, or high. The investment risk rating for each Pool is reviewed at least annually and also if there is a material change in a Pool’s investment objective or investment strategy.

The methodology we use to determine the risk rating of each Pool is based on the methodology required by the Canadian Securities Administrators in Appendix F *Investment Risk Classification Methodology* of National Instrument 81-102 *Investment Funds* (NI 81-102).

Using this methodology, we will generally assign a risk rating based on a Pool’s historical ten-year standard deviation. Neither VPI Mortgage Pool nor VPI Dividend Growth Pool has ten years of performance history. For VPI Mortgage Pool, we have used the available return history of the Pool and imputed the return history of the underlying fund for the remainder of the 10-year history. For VPI Dividend Growth Pool, we have used the return history of the S&P 500 Index to determine this Pool’s expected risk rating.

Standard deviation is a statistical measure that is used to estimate the dispersion of a set of data around the average value of the data. In the context of an investment fund’s returns, the standard deviation provides a measure of the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation of a fund, the greater the range of returns it has experienced in the past.

Generally, the risk rating categories required by the Canadian Securities Administrators are:

- Low – for funds whose performance can be expected to typically vary within a range of 0 to 6 percentage points above or below their average return.
- Low to Medium – for funds whose performance can be expected to typically vary within a range of 6 to 11 percentage points above or below their average return.

- Medium - for funds whose performance can be expected to typically vary within a range of 11 to 16 percentage points above or below their average return.
- Medium to High - for funds whose performance can be expected to typically vary within a range of 16 to 20 percentage points above or below their average return.
- High - for funds whose performance can be expected to typically vary within a range of greater than 20 percentage points above or below their average return.

Details about the method that we use to determine the investment risk level of each Pool are available on request, at no cost to you, by calling 1-866-323-4235, by writing to Value Partners Investments Inc., Suite 300 - 175 Hargrave, Winnipeg, Manitoba, R3C 3R8 or by emailing [info@vpinvestments.ca](mailto:info@vpinvestments.ca).

- *Who should invest in this Pool?*

This section explains the type of investor for which a Pool may be suitable. This is meant as a general guide only. For advice about your own circumstances, you should consult with your dealer.

- *Distribution policy*

You earn money from the Pools when they distribute interest, dividend and other income and net realized capital gains earned on their underlying investments. Distributions are automatically reinvested without charge in additional units of the same Pool. You can request that any distributions be paid out in cash for Pools you hold in a non-registered account. We may change the distribution policy at our discretion. For more information about distributions see “Income Tax Considerations for Investors”.

- *Fund Expenses Indirectly Borne by Investors*

Each series of a Pool is responsible for its own operating expenses and its proportionate share of common fund expenses. You don't pay these expenses directly, but they will reduce the Pool's investment return on your units. This section contains hypothetical examples of the amount of expenses that would be payable by each series of a Pool on a \$1,000 investment, assuming that the Pool earns a constant 5 percent per year and the management expense ratio for each series of the Pool remains the same as the past year, for the periods indicated. The fees and expenses that you pay directly, and which are not included in each Pool's management expense ratios, are described in the “Fees and Expenses” section of this simplified prospectus. The examples provided in this section will help you to compare the cumulative costs of investing in a Pool with the similar costs of

investing in other mutual funds. The examples are only examples and each Pool's actual expenses for each series will vary each year.

## VPI Income Pool

### Pool Details

Type of Pool	Income
Portfolio Managers	Patient Capital Management Inc. Toronto, Ontario  Canso Investment Counsel Ltd. Richmond Hill, Ontario
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – September 26, 2005 Series F units – July 3, 2007 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Income Pool's objective is to place a strong emphasis on avoiding material or long-term capital losses while investing in securities that provide a reasonable level of income and the potential for long-term capital growth.

VPI Income Pool invests primarily in fixed income and equity securities that pay income.

#### Investment Strategies

VPI Income Pool has two Portfolio Managers, Patient Capital Management Inc. ("PCM"), the principal portfolio manager of the Pool, and Canso Investment Counsel Ltd. ("Canso").

PCM will determine what proportion of the Pool's assets will be designated to be invested by the two Portfolio Managers. Canso will manage a designated fixed income portion of the Pool, and PCM will itself manage the equity securities portion of the Pool, which will be the portion of the Pool that has not been designated to be invested by Canso.

The Portfolio Managers will use flexible approaches to investing in fixed income and equity securities with no geographic restrictions. The Pool will generally invest no less than 25% of its assets in fixed income securities and no less than 25% in equity securities. Allocations between asset classes will be based on economic conditions and/or the Portfolio Managers' assessment of valuations.

Fixed income investments may include, but are not limited to corporate bonds, convertible bonds, government bonds, loans, notes and other evidences of indebtedness.

Equity security investments may include, but are not limited to common shares, preferred shares, income trusts and/or REITs. PCM will emphasize seeking out equity securities in

high quality businesses that are trading at a substantial discount to intrinsic value and that are paying a current dividend. Investments are only considered in companies that have a long history of operation and are in stable businesses that PCM can analyze and understand with a high degree of certainty. The emphasis is on a patient accumulation of a moderate number of attractive holdings while experiencing only a minimal turnover.

In the event that the Portfolio Managers are unable to find equity and/or fixed income investments beyond the Pool's minimum requirements that meet its investment criteria in terms of quality and value, the Portfolio Managers will choose to hold cash and/or cash equivalents until the right opportunity comes available. This approach is used to protect investor capital and avoid the potential for long-term capital losses. As a result, there may be times when the Pool holds significant amounts of cash and cash equivalents.

There are no restrictions on the amount of foreign securities the Pool may hold at any one time. In general, PCM expects to use depositary receipts as the vehicle for holding non-US securities.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

### **What are the Risks of Investing in this Pool?**

Because this Pool invests in fixed income and equity securities, it will be subject to fixed income risk and the risks associated with equity securities. The Pool may invest in foreign securities, which means that the Pool may also be subject to foreign market risks as well as foreign currency risks and the risks associated with holding depositary receipts. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of those risks outlined under "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?".

The risk rating assigned to this Pool by the Manager is low to medium risk. See "Portfolio Risk Classification" on page 32 for a description of how we determined the classification of this Pool's risk level.

### **Who Should Invest in this Pool?**

You should consider this Pool if you are seeking regular, but not fixed, income. This Pool will be suitable for investors with a low to medium tolerance for risk and who are comfortable with fluctuations in capital associated with domestic and foreign securities.

### **Distribution Policy**

Distributions of net income will be made monthly. Distributions of any net realized capital gains will be made annually in December.

**Fund Expenses Indirectly Borne by Investors**

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$20.30	\$63.98	\$112.15	\$255.28
Series F units	\$10.66	\$33.61	\$58.91	\$134.09
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Canadian Equity Pool

### Pool Details

Type of Pool	Canadian Equity
Portfolio Manager	Value Partners Investments Inc. Winnipeg, Manitoba
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – September 26, 2005 Series F units – July 3, 2007 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Canadian Equity Pool's objective is to generate longer term growth in value through the increase in the value of its holdings, and through the receipt and reinvestment of dividend income from its holdings. It invests primarily in equity securities of Canadian companies.

#### Investment Strategies

The Portfolio Manager's investment philosophy is based on long term growth. The Portfolio Manager attempts to achieve this by purchasing equity securities of high quality businesses that pay dividends and where there is an expectation of significant profit and dividend growth. Investments are primarily considered in companies that have a long history of operation and are in stable businesses that the Portfolio Manager can analyze and understand with a high degree of certainty. The emphasis is on the patient accumulation of a moderate number of attractive holdings while experiencing only a minimal turnover.

Equity security investments may include, but are not limited to common shares, preferred shares, income trusts and/or REITs.

In the event that the Portfolio Manager is unable to find equity investments that meet its investment criteria, the Portfolio Manager will choose to hold cash and/or cash equivalents until the right opportunity comes available. This approach is used to protect investor capital and avoid the potential for long-term capital losses. As a result, there may be times when the Pool holds moderate amounts of cash and/or cash equivalents.

The Pool may hold up to 49% of the portfolio in foreign (i.e., non-Canadian) securities. The Portfolio Manager will use its discretion to determine the appropriate amount of foreign securities to hold in the Pool given prevailing market conditions. In general, the

Portfolio Manager expects, but is not limited, to use depositary receipts as the vehicle for holding non-US securities.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

### **What are the Risks of Investing in this Pool?**

This Pool focuses on common equity holdings, which means that the Pool will be exposed to equity risks. The Pool may invest a portion of its assets in foreign securities, which means that the Pool may also be subject to foreign market risks as well as foreign currency risks and the risks associated with holding depositary receipts. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of those risks outlined under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”.

The risk rating assigned to this Pool by the Manager is medium risk. See “Portfolio Risk Classification” on page 32 for a description of how we determined the classification of this Pool’s risk level.

### **Who Should Invest in this Pool?**

You should consider this Pool if you are seeking growth in the value of your investments. This Pool will be suitable for investors with a medium tolerance for risk and who are comfortable with the potential for fluctuations in the value of capital associated with investing in domestic and foreign equity markets.

### **Distribution Policy**

Distributions of any net realized capital gains and net income will be made annually in December.

### **Fund Expenses Indirectly Borne by Investors**

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$20.30	\$63.98	\$112.15	\$255.28
Series F units	\$10.56	\$33.28	\$58.34	\$132.80
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Foreign Equity Pool

### Pool Details

Type of Pool	Foreign Equity
Portfolio Manager	Patient Capital Management Inc. Toronto, Ontario
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – September 26, 2005 Series F units – July 3, 2007 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Foreign Equity Pool's objective is to generate longer term growth in value through the increase in the value of its holdings, and through the receipt and reinvestment of dividend income from its holdings. It invests in equity securities issued primarily by non-Canadian companies.

#### Investment Strategies

The Portfolio Manager's investment philosophy is based on the preservation of capital and long term growth. The Portfolio Manager attempts to achieve this by purchasing equity securities of high quality businesses that are trading at a substantial discount to intrinsic value and where there is an expectation of significant profit and dividend growth. Investments are only considered in companies that have a long history of operation and are in stable businesses that the Portfolio Manager can analyze and understand with a high degree of certainty. The emphasis is on a patient accumulation of a moderate number of attractive holdings while experiencing only a minimal turnover.

In the event that the Portfolio Manager is unable to find equity investments that meet its investment criteria, the Portfolio Manager will choose to hold cash and/or fixed income securities until the right opportunity comes available. This approach is used to protect investor capital and avoid the potential for long-term capital losses. As a result, there may be times when the Pool holds significant amounts of cash, cash equivalents and fixed income securities.

The Pool will invest primarily in foreign equity securities; however, it may hold up to 25% in cash, cash equivalents and/or fixed income securities and up to 20% in Canadian equity securities. In general, the Portfolio Manager expects to use depositary receipts as the vehicle for holding non-US securities. The Portfolio Manager in all cases uses a value orientation towards security selection.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

**What are the Risks of Investing in this Pool?**

Given the objectives of the Pool, it will be significantly exposed to foreign market risk and foreign currency risk and the risks associated with holding depositary receipts. The Pool’s concentration on common equity holdings will mean that the Pool will be exposed to equity risks. The Pool will also be exposed to the risks associated with investing in emerging markets. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of those risks outlined under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”.

The risk rating assigned to this Pool by the Manager is medium risk. See “Portfolio Risk Classification” on page 32 for a description of how we determined the classification of this Pool’s risk level.

**Who Should Invest in this Pool?**

You should consider this Pool if you are seeking growth in the value of your investments. This Pool will be suitable for investors with a medium tolerance for risk and who are comfortable with the potential for fluctuations in the value of capital associated with investing in foreign equity markets.

**Distribution Policy**

Distributions of any net realized capital gains and net income will be made annually in December.

**Fund Expenses Indirectly Borne by Investors**

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$21.01	\$66.24	\$116.11	\$264.31
Series F units	\$11.28	\$35.55	\$62.30	\$141.82
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Value Pool

### Pool Details

Type of Pool	World Equity
Portfolio Manager	Value Partners Investments Inc. Winnipeg, Manitoba
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – September 19, 2007 Series F units – September 19, 2007 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Value Pool's objective is to provide unitholders with long-term growth while preserving capital. VPI Value Pool invests in North American and international-based equity securities.

#### Investment Strategies

The Portfolio Manager's investment philosophy is based on the preservation of capital and long term growth. The Portfolio Manager attempts to achieve this by purchasing equity securities of high quality businesses that are trading at a substantial discount to intrinsic value and where there is an expectation of significant profit growth. Investments are only considered in companies that have a long history of operation and are in stable businesses that the Portfolio Manager can analyze and understand with a high degree of certainty. The emphasis is on a patient accumulation of a moderate number of attractive holdings while experiencing only a minimal turnover.

In the event that the Portfolio Manager is unable to find equity investments that meet its investment criteria, the Portfolio Manager will choose to hold cash and/or fixed income securities until the right opportunity comes available. This approach is used to protect investor capital and avoid the potential for long-term capital losses. As a result, there may be times when the Pool holds significant amounts of cash, cash equivalents and fixed income securities.

There are no restrictions on the amount of foreign securities the Pool may hold at any one time. The Portfolio Manager will use its discretion to determine the appropriate amount of foreign securities to hold in the Pool given prevailing market conditions. In general, the Portfolio Manager expects to use depositary receipts as the vehicle for holding non-US securities.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

**What are the Risks of Investing in this Pool?**

This Pool focuses on equity securities of North American and international companies, which means the Pool will be exposed to equity risks, foreign market risks, foreign currency risks, as well as risks associated with holding depositary receipts. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of those risks outlined under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”.

The risk rating assigned to this Pool by the Manager is medium risk. See “Portfolio Risk Classification” on page 32 for a description of how we determined the classification of this Pool’s risk level.

**Who Should Invest in this Pool?**

You should consider this Pool if you are seeking long-term growth in the value of your investments while maintaining your capital investment. This Pool will be suitable for investors with a medium tolerance for risk and who are comfortable with the potential for fluctuations in the value of capital associated with investing in foreign equity markets.

**Distribution Policy**

Distributions of any net realized capital gains and net income will be made annually in December.

**Fund Expenses Indirectly Borne by Investors**

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$21.53	\$67.86	\$118.95	\$270.76
Series F units	\$12.20	\$38.45	\$67.40	\$153.43
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

## **VPI Value Pool**

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Canadian Balanced Pool

### Pool Details

Type of Pool	Canadian Balanced
Portfolio Manager	Dixon Mitchell Investment Counsel Inc. Vancouver, British Columbia
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – September 19, 2007 Series F units – September 19, 2007 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Canadian Balanced Pool's objective is to generate long-term growth in value and income by investing in a diversified portfolio of Canadian government and corporate bonds, Canadian and foreign equities, trust and limited partnership units, preferred shares and index or sector proxies, such as index participation units. It is designed to provide both moderate income and reasonable growth over the long-term, while being sufficiently diversified to mitigate volatility.

#### Investment Strategies

VPI Canadian Balanced Pool will generally hold a minimum of 50 percent and a maximum of 80 percent of its assets in equities, with the balance held in fixed income assets and cash. The equity portion of the portfolio will include Canadian and foreign equities, preferred shares, income trust units, and index or sector proxies. The Portfolio Manager generally screens potential equity holdings based on several qualitative criteria, such as identifiable secure market niches with significant barriers to entry and high quality management who are focused on creating value for shareholders. The Pool's portfolio is to be principally comprised of the securities of mature companies that the Portfolio Manager believes will be able to sustain and grow cash flow over the long term.

The Portfolio Manager uses a series of quantitative screens in the equity selection process, including measures of a company's overall historical profitability, evaluation of cash flow, both the past dividend record and expectations of future trends, and measures of earnings quality. Evaluation of a company's prospective ability to sustain and grow its cash flow will be an important part of the equity selection process.

In general, the foreign equity holdings will consist of companies that meet all of the same qualitative and quantitative criteria as the Canadian equities but will also provide diversification through exposure to industries not well represented in Canada, such as

## VPI Canadian Balanced Pool

pharmaceuticals and global brands, and companies with geographically diverse revenue bases. The Portfolio Manager generally expects all non-US foreign holdings to be in the form of depositary receipts. All foreign equity holdings will not exceed 50 percent of the market value of the Pool's equity assets. The equity portion of the portfolio will be focused and comprise a maximum of 40 individual holdings.

For the fixed income portion of the portfolio the Portfolio Manager will purchase only Canadian dollar denominated debt instruments with investment grade credit ratings of BBB- or higher. The Portfolio Manager also undertakes its own analysis of credit risk to protect the portfolio from undue risk of default. Up to 60 percent of the fixed income portion of the portfolio may be invested in corporate bonds.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

### **What are the Risks of Investing in this Pool?**

This Pool focuses on both Canadian government and corporate bonds (low risk) and Canadian and foreign equities which means the Pool will be exposed to equity risks, foreign market risks as well as foreign currency risks. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of those risks outlined under "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?".

The risk rating assigned to this Pool by the Manager is low to medium risk. See "Portfolio Risk Classification" on page 32 for a description of how we determined the classification of this Pool's risk level.

### **Who Should Invest in this Pool?**

You should consider this Pool if you are seeking moderate income and equitable growth in the value of your investments. This Pool will be suitable for investors with a low to medium tolerance for risk and who are seeking a balance between the potential for fluctuations in capital associated with domestic and foreign equities and the relative stability of fixed income securities.

### **Distribution Policy**

Distributions of any net realized capital gains and net income will be made annually in December.

### **Fund Expenses Indirectly Borne by Investors**

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

## VPI Canadian Balanced Pool

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$20.60	\$64.95	\$113.85	\$259.15
Series F units	\$10.87	\$34.25	\$60.04	\$136.67
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Mortgage Pool

### Pool Details

Type of Pool	Canadian Income
Portfolio Manager	HSBC Global Asset Management (Canada) Limited (HSBC Global) Vancouver, British Columbia
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – October 30, 2012 Series F units – October 30, 2012 Series O units – July 5, 2017
Eligible for Registered Plans	Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Mortgage Pool's objective is to seek to earn a high level of income while protecting invested capital primarily through investments with exposure to residential first mortgages on property in Canada and other debt obligations. It invests in one or more underlying mutual funds and other debt obligations to achieve this objective.

#### Investment Strategies

Consistent with the Pool's investment objective, VPI Mortgage Pool will invest a significant portion of its assets in the Institutional Series of units of the HSBC Mortgage Fund (the "Underlying Fund"). By investing in the Underlying Fund, the Pool is expected to achieve its stated investment objectives. HSBC Global may replace the Underlying Fund with one or more other mortgage mutual funds or change the weighting of the Pool's investment in the Underlying Fund at any time without advance notice.

The Pool may also invest a portion of its assets in other debt obligations such as government bonds, corporate bonds, mortgage-backed securities, debentures and other fixed income securities or one or more underlying mutual funds.

The fundamental investment objective of the Underlying Fund is to earn as high a level of income as possible while protecting invested capital by investing primarily in residential first mortgages on property in Canada and other debt obligations.

Subject to the availability of suitable mortgages, the Underlying Fund invests primarily in uninsured Canadian-dollar-denominated mortgages. The Underlying Fund may also invest a portion of its assets in other debt obligations such as government bonds, corporate bonds,

## VPI Mortgage Pool

mortgage-backed securities, debentures and other fixed income securities. A portion of the Underlying Fund and the Pool's holdings may be in the form of cash or cash equivalents.

The Underlying Fund intends to purchase and sell, as principal, mortgages to and from HSBC Bank Canada, HSBC Mortgage Corporation (Canada) or other affiliates of HSBC Global. If any mortgage purchased from HSBC Bank Canada, HSBC Mortgage Corporation (Canada) or any affiliates of HSBC Global is in default for 90 days or more, HSBC Bank Canada will repurchase those mortgages from the Underlying Fund.

As a temporary defensive tactic, the Underlying Fund may maintain a significant portion of its assets in Canadian and U.S. short-term fixed income securities during periods of high market volatility, in order to provide capital protection while awaiting more favourable market conditions.

The Underlying Fund may invest in aggregate up to 30% of its assets in foreign securities. While the Underlying Fund intends to invest primarily in Canadian assets, the Underlying Fund may invest in foreign securities where HSBC Global believes that it might add value to the Underlying Fund.

The Underlying Fund may use derivatives consistent with its investment objectives and as permitted by the Canadian securities regulatory authorities. The Underlying Fund may use derivatives such as options, futures, covered calls, forward contracts and other similar instruments for hedging and non-hedging purposes. The Underlying Fund may use these instruments to provide exposure to securities, indices or currencies without investing in them directly. Derivatives may be used to manage the risks to which the investment portfolio is exposed.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Underlying Fund and the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

In matters requiring a vote of the units of the Underlying Fund, Value Partners will vote the units of the Underlying Fund held by the Pool in accordance with what is in the best interest of the investors in the Pool.

The fund facts, simplified prospectus, annual information form and other information about the Underlying Fund are available on the SEDAR internet site at [www.sedar.com](http://www.sedar.com) and on HSBC Global's website at [www.hsbc.ca](http://www.hsbc.ca).

### **What are the Risks of Investing in this Pool?**

The risks of investing in this Pool are similar to the risks of the Underlying Fund. The Pool takes on the risks of the Underlying Fund in proportion to its investment in that fund.

The Underlying Fund invests in Canadian-dollar-denominated mortgages and other debt obligations such as government bonds, corporate bonds, mortgage-backed securities, debentures and other fixed income securities, which means the Underlying Fund will be

## VPI Mortgage Pool

exposed to fixed income risk, foreign currency risk, liquidity risk and concentration risk. The Underlying Fund may also be subject to large redemption risk. Since the Underlying Fund may use derivatives, it may also be exposed to derivative risk. Because the Underlying Fund offers different series of units, the Underlying Fund will be subject to certain risks associated with this multiple series structure. In addition, given the Pool's investments in the Underlying Fund, the Pool will be subject to tracking risk. See the description of those risks outlined under "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?".

The risk rating assigned to this Pool by the Manager is low risk. To calculate this investment risk, we have used the available return history of the Pool and the return history of the HSBC Mortgage Fund for the remainder. See "Investment Strategies" above for a description of the HSBC Mortgage Fund and "Portfolio Risk Classification" on page 32 for a description of how we determined the classification of this Pool's risk level.

### Who Should Invest in this Pool?

You should consider this Pool if you are seeking to earn interest income and to protect your capital. This Pool will be suitable for investors with a low tolerance for risk and who are comfortable with fluctuations in the value of capital that are smaller than those in equity markets.

### Distribution Policy

Distributions of net income will be made monthly. Distributions of any net realized capital gains will be made annually in December.

### Fund Expenses Indirectly Borne by Investors

Estimated cumulative expenses payable by each series of the Pool for each \$1,000 investment (see Introduction on page 33 for an explanation of the assumptions used in this example) for the time periods shown.

	For 1 year	For 3 years	For 5 years	For 10 years
Series A units	\$13.84	\$43.62	\$76.47	\$174.06
Series F units	\$8.71	\$27.47	\$48.14	\$109.59
Series O units*	\$0.00	\$0.00	\$0.00	\$0.00

\* Series O units are not charged a management fee. Fund expenses for Series O units are paid by Value Partners. Investors in Series O units pay a negotiated fee to Value Partners.

## VPI Dividend Growth Pool

### Pool Details

Type of Pool	Global Equity
Portfolio Manager	Bristol Gate Capital Partners Inc. Toronto, Ontario
Securities Offered and Date Started	Units of a mutual fund trust: Series A units – November 6, 2019 Series F units – November 6, 2019 Series O units – November 6, 2019
Eligible for Registered Plans	Expected to be a Qualified Investment for Registered Plans

### What Does the Pool Invest In?

#### Investment Objective

VPI Dividend Growth Pool's objective is to generate long-term growth of income and capital by investing primarily in a concentrated portfolio of publicly-traded equity securities of companies that are expected to pay a growing dividend.

#### Investment Strategies

In order to achieve its investment objective, the Portfolio Manager invests in a concentrated portfolio of dividend-paying, large capitalization equities. The Portfolio Manager uses its proprietary quantitative methodology to predict dividend growth in order to identify attractive investment opportunities. Investment opportunities are ranked based on expected dividend growth over the next fiscal year and the highest subset of expected dividend growers are investigated further via the Portfolio Manager's fundamental research process, Productive Capital Analysis™, to assess possible inclusion in the portfolio. The Portfolio Manager attempts to invest in high expected dividend growth businesses, that are of high quality and reasonable valuations.

The number of portfolio holdings usually ranges between 20 and 30 different securities and the portfolio is rebalanced quarterly. Sector allocation is a function of the Portfolio Manager's focus on high dividend growth, however the portfolio will typically be invested in six or more of the Global Industry Classification Standard (GICS®) sectors. The Portfolio Manager ensures the concentrated portfolio is appropriately diversified by evaluating various market risks and security price behaviour over the near and mid term. Generally, the portfolio will be fully invested unless the Portfolio Manager is unable to identify expected dividend growers that meet an annually set dividend growth hurdle, in which case cash or equivalents will be held until appropriate investment opportunities arise.

## VPI Dividend Growth Pool

The Portfolio Manager currently intends to focus the portfolio on securities included in the S&P 500 Index, but has discretion to invest the Pool's portfolio in equity securities of entities located anywhere in the world.

The Portfolio Manager will not generally invest in securities:

- i. that are generally considered small market capitalization securities;
- ii. that do not pay dividends;
- iii. that are issued by way of private placements or initial public offerings; or
- iv. that are not traded on public markets (except for cash and cash equivalents).

The Portfolio Manager may use derivative instruments from time to time for hedging purposes. Any use of derivative instruments by the Pool must be in compliance with applicable laws and must be consistent with the investment objectives and investment strategies of the Pool. Currently, the Portfolio Manager does not use derivative instruments.

Securities lending and repurchase agreements (including reverse repurchase agreements) may be entered into for the purpose of generating additional income for the Pool. The parameters of such transactions are described in the Introduction to this section on page 31.

### **What are the Risks of Investing in this Pool?**

This Pool focuses on equity securities of North American and international companies, which means the Pool will be exposed to equity risks, foreign market risks, foreign currency risks, as well as risks associated with holding depositary receipts. Because the Pool offers different series of units, the Pool will be subject to certain risks associated with this multiple series structure. See the description of this risks outlined under "What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?".

The risk rating assigned to this Pool by the Manager is medium risk. See "Portfolio Risk Classification" on page 32 for a description of how we determine the classification of this Pool's risk level.

### **Who Should Invest in this Pool?**

You should consider this Pool if you are seeking to achieve long-term growth of income and capital. This Pool will be suitable for investors with a medium tolerance for risk and who are comfortable with fluctuations in the value of capital in equity markets.

### **Distribution Policy**

Distributions of any net realized capital gains and net income will be made annually in December.

### **Fund Expenses Indirectly Borne by Investors**

This information is not available because the Pool is new and its expenses are not yet known.

**Value Partners Pools**

**Simplified Prospectus  
dated November 6, 2019**

Series A Units, Series F Units and Series O Units  
of  
**VPI Dividend Growth Pool**

**Amended and Restated Simplified Prospectus  
dated November 6, 2019  
Amending and Restating the Simplified Prospectus  
dated June 21, 2019**

Series A Units, Series F Units and Series O Units  
of  
**VPI Income Pool  
VPI Canadian Equity Pool  
VPI Foreign Equity Pool  
VPI Value Pool  
VPI Canadian Balanced Pool  
VPI Mortgage Pool**

Managed by:

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Additional information about the Pools is available in the Pools' annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-866-323-4235 or from your dealer or by email at [info@vpinvestments.ca](mailto:info@vpinvestments.ca).

These documents and other information about the Pools, such as information circulars and material contracts are also available on Value Partners' website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca) or at [www.sedar.com](http://www.sedar.com).