



**VALUE  
PARTNERS**  
INVESTMENTS

## **VPI CANADIAN BALANCED POOL**

**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE  
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019**

### **MANAGER**

VALUE PARTNERS INVESTMENTS INC.

### **PORTFOLIO MANAGER**

DIXON MITCHELL INVESTMENT COUNSEL INC.

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This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the Pool. If you have not received a copy of the interim financial statements with this interim management report of fund performance, you may obtain a copy at your request, and at no cost, by calling toll-free at 1-866-323-4235, by writing to us at 300-175 Hargrave Street, R3C 3R8, by visiting our website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). You may also contact us using one of these methods to request a copy of the Pool's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



## Interim Management Discussion of Fund Performance

August 20, 2019

The Interim Management Report of Fund Performance presents management's view of the significant factors and developments affecting the Pool's performance and outlook since December 31, 2018, the Pool's most recent fiscal year-end. This report should be read in conjunction with the Annual Management Report of Fund Performance for the year ended December 31, 2018.

### Results of Operations

Net assets of the Pool increased by approximately \$74.9 million for the six-month period ended June 30, 2019. The increase is attributable to \$28.8 million of net sales and a \$46.1 million increase in net assets from operations. The increase in net assets from operations resulted from \$43.0 million of unrealized appreciation in the value of investments, a \$2.0 million realized gain on the sale of investments, and \$5.6 million of dividend and interest income. This was offset by \$4.5 million of operating expenses and management fees.

The following table summarizes the businesses that were added or removed from the portfolio during the year:

<i>Additions</i>	<i>Dispositions</i>
MTY Food Group	None

As a result of this change, some partial dispositions, cash flows of the Pool and market value changes, there were some moderate shifts in the portfolio allocation from the beginning of the year as indicated in the following table:

Sector	Allocation Increase	Sector	Allocation Decrease
Cash & Equivalents	2.8%	Capital Goods	1.3%
Software & Services	0.7%	Food & Staples Retailing	0.6%
Consumer Services	0.5%	Energy	0.6%
Banks	0.4%	Diversified Financials	0.6%
Technology Hardware &	0.2%	Healthcare, Equipment &	0.5%
Equipment		Services	
Consumer Durables &	0.1%	Government Bonds	0.5%
Apparel			
Insurance	0.1%	Food, Beverage & Tobacco	0.4%
		Telecommunication Services	0.3%
		Other Net Assets	0.2%
		Corporate Bonds	0.1%

Each series of the Pool experienced strong returns in the range of 10.5% to 11.8%, which came in slightly below the 12.5% return for the blended benchmark (comprised of 50% S&P/TSX Composite Total Return Index, 35% FTSE TMX Canada Universe Bond Index and 15% S&P 500 Total Return Index (C\$)).

Equity returns were solid, with the Canadian holdings gaining 15.2% in Q1 (first-quarter) 2019 and the US holdings rising by an even stronger 16.0%, although a strengthening Canadian dollar mitigated the YTD (year-to-date) gains which were substantially higher in USD terms. With the equities performing well, the variance to the blended benchmark was twofold: firstly, with an average cash holding of around 10% during the first six months of 2019, this posed a considerable drag during a period of robust returns across asset classes. Second, while the Pool's bond portfolio gained 5.0% during a period of falling yields, this was well behind the 6.5% return for the broad bond universe. However, this is entirely explainable by the Pool's avoidance of debt maturing beyond 10 years on account of the interest rate risk embedded in such instruments, whereas the fixed income benchmark has more than 20% of its weight in long maturity securities, including some of questionable credit quality.

Within the equities, information technology names were the strongest contributors, with Microsoft, Visa and Oracle rising 27%, 26% and 21% YTD, respectively in Canadian dollars. The Pool also benefitted from some of its Industrial exposure, including Badger Daylighting which surged 49%, and CN Railway which rose by 21% during the period. At the other end of the spectrum, Financials were the largest detractor, with Berkshire Hathaway being flat for the first half of the year while bank holdings generally underperformed the market due to falling interest rates.



**Results of Operations (continued)**

On the fixed income side, as mentioned, returns were positive as bonds rallied on renewed calls for monetary stimulus, although the Pool did not participate in the gains seen at the longer end of the curve. This is due to the Pool's much shorter duration of 4.6 years versus 8.1 for the bond index. From a curve positioning standpoint, the Portfolio Manager has avoided maturities longer than 10 years due to the high rate of interest rate risk relative to the paltry yields on offer; during the first half of 2019 this stance impacted the Pool in the form of opportunity cost given the sharp move lower in yields.

**Revenues and Expenses**

Revenues of the Pool amounted to \$5.6 million, representing a combination of dividend and interest income from its holdings. The Pool also incurred \$4.5 million in management fees and operating expenses, realized gains of \$2.0 million on the sale of investments and experienced unrealized appreciation in the value of its investments of \$43.0 million.

Realized gains on the sale of investments during the period are attributable to the following partial dispositions from the portfolio:

<b>Holding</b>	<b>Approximate Holding Period</b>	<b>Proceeds (millions)</b>	<b>Cost (millions)</b>	<b>Realized Gain (Loss) (millions)</b>
Partial Dispositions	n/a	\$ 7.3	\$ 5.3	\$ 2.0
Treasury Bills	n/a	\$ 29.9	\$ 29.9	\$ -
		\$ 37.2	\$ 35.2	\$ 2.0

**Recent Developments**

*Economic Conditions*

Looking at recent returns alone masks the underlying picture for the global economy, which took a step downward during the past few months, with measures of trade and manufacturing weakening across geographies. Additional risks to growth were evident with President Trump's often erratic tweets regarding tariffs to be levied on China, Mexico and others, while recessionary indicators continued to flash yellow including yield curves briefly inverting in North America. At the same time, risk appetite in the equity markets ran counter to these developments, primarily due to 'dovish' comments by the Federal Reserve, the ECB and other central banks which helped bond yields move decisively lower during the period.

The Pool saw a modest adjustment to the asset mix thus far in 2019, with the Portfolio Manager trimming equities in certain cases to lock in profits while deploying those proceeds into T-bills as the Portfolio Manager waits for a better entry point from a valuation perspective. As of June 20, 2019, the Pool had over 11% of its weight in T-bills and cash, and while the Pool remains overweight equities versus target allocations, the level of commitment to this stance has reduced given the negative shift in economic data. In this environment, preservation of capital is paramount, and on the fixed income side the Pool has seen steadily improving credit exposure. On the corporate side, the Portfolio Manager aims to earn some reliable spread income without burdening the portfolio with additional units of uncompensated duration. As corporate credit spreads have reverted to unattractive levels, there has been limited new investment in this area on a YTD basis, while profits have been taken on lower rated issues.

Thematically, the Portfolio Manager's focus continues to be on companies that have a unique way to add value, through the ability to grow either organically or through mergers and acquisitions, a propensity to return cash flow to shareholders through dividends or share repurchases, or competitive positioning in industries with secular long-term growth potential. The Portfolio Manager anticipates that the flexible mandate, combined with disciplined risk management, ongoing monitoring and strict underwriting processes for new positions should provide the tools needed to make the best possible investment decisions for the Pool.

*Series B*

Effective August 15, 2019, the Pool has discontinued sales of Series B units and, by the end of the calendar year, all Series B units will be switched to Series A units, which have a lower management expense ratio. There will be no costs to unitholders as a result of this change.



VPI CANADIAN BALANCED POOL

**Portfolio Allocation**

Canadian Equities	37.6%	Cash & Equivalents	11.5%
US Equities	29.0%	Corporate Bonds	6.7%
Government Bonds	13.2%	Offshore Equities	2.0%

**Sector Allocation**

Government Bonds	13.2%	Transportation	4.8%
Software & Services	12.9%	Food, Beverage & Tobacco	3.6%
Banks	11.8%	Capital Goods	3.4%
Cash & Equivalents	11.5%	Food & Staples Retailing	2.1%
Diversified Financials	7.2%	Insurance	1.7%
Corporate Bonds	6.7%	Consumer Durables & Apparel	1.6%
Energy	5.5%	Telecommunication Services	1.5%
Pharmaceuticals, Biotechnology & Life Sciences	5.3%	Healthcare, Equipment & Services	1.0%
Technology Hardware & Equipment	5.0%	Materials	0.7%
		Consumer Services	0.5%

**Top 25 Holdings**

<b>Issuer</b>	<b>Maturity Date</b>	<b>Percentage of Net Assets</b>
Visa Inc.		5.7%
Toronto Dominion Bank		4.3%
Microsoft Corporation		4.0%
Berkshire Hathaway Inc., Class B		3.9%
Thermo Fisher Scientific Inc		3.8%
Bank of Nova Scotia		3.6%
Canadian National Railway Company		3.6%
Oracle Corporation		3.2%
Apple Inc.		3.0%
Royal Bank of Canada		2.6%
Cash		2.5%
Thomson Reuters Corporation		2.2%
Alimentation Couche-Tard Inc.		2.1%
Cisco Systems		2.0%
Diageo		2.0%
Manulife Financial Corporation		1.7%
Canadian Natural Resources Limited.		1.7%
Gildan Activewear Inc.		1.6%
PSP Capital Inc.	22-Oct-20	1.6%
Saputo Inc.		1.6%
Enbridge Inc.		1.5%
Johnson & Johnson		1.5%
Rogers Communications Inc., Class B		1.5%
Canadian Western Bank		1.3%
TFI International Inc.		1.3%
<b>Total</b>		<b>63.8%</b>

The above summary of investment portfolio may change due to ongoing portfolio transactions of the Pool. An update will be made available within 60 days of each subsequent quarter-end.



VPI CANADIAN BALANCED POOL

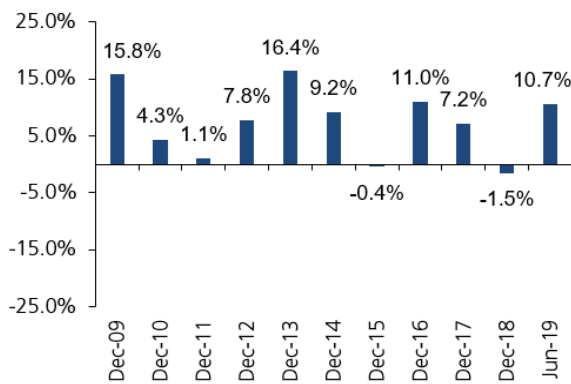
**Past Performance**

The historical performance information shown below assumes that all distributions were reinvested in the Pool and does not account for any sales, redemptions, distributions or optional charges or income taxes payable by an investor that would have reduced returns. Mutual fund returns are not guaranteed, their values change frequently, and past performance may not be repeated.

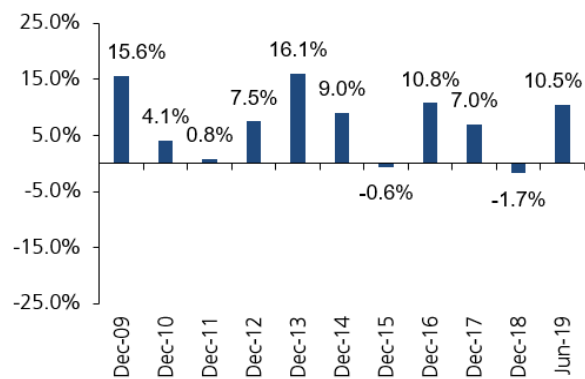
**Year-by-Year Returns**

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2019, and the previous years ended December 31 or since inception to December 31. It shows in percentage terms, how an investment made on January 1 or on inception would have increased or decreased by the end of the respective periods.

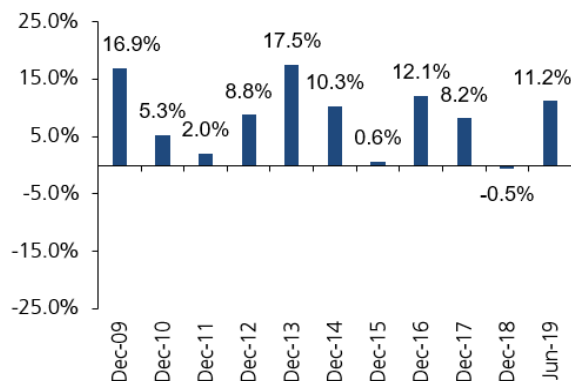
**Series A**



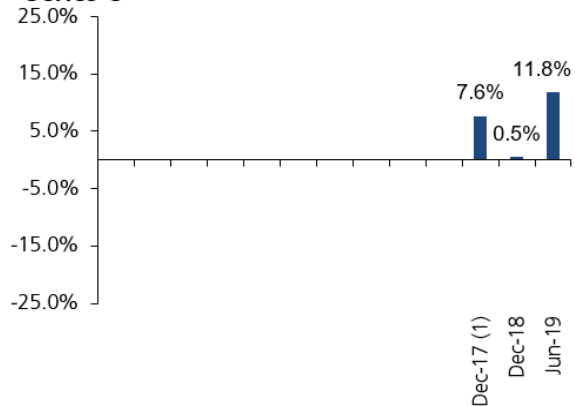
**Series B**



**Series F**



**Series O**



(1) 2017 return is since inception on July 5, 2017.



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## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2019

### VPI CANADIAN BALANCED POOL

#### **Management Fees**

The Pool pays an annual management fee on each of its series (excluding Series O) to Value Partners Investments Inc. (“the Manager”). The management fee is calculated daily as a percentage of the net asset value of each series as of the close of business on each business day. In consideration for the management fees, the Manager may pay a percentage sales commission and/or trailing commission to registered dealers or brokers for units bought and held in the Pool depending on which series of units were purchased. The Manager also pays a portion of the management fee to the Portfolio Manager for its services in managing the investment portfolio.

For the six-months ended June 30, 2019, approximately 43% of the management fee revenues received by the Manager from the Pool were paid to registered dealers and brokers as sales and/or trailing commissions. Since each series may have a different commission structure, this percentage may vary by series. For unitholders eligible for the Management Fee Reduction Program, approximately 13% of the gross management fees were returned to unitholders as management fee rebates. The remainder of the management fee revenue, after payment of fees to the Portfolio Manager for its services, was retained by the Manager for corporate purposes.

#### **Related Party Transactions**

Value Partners Investments Inc. is the manager of the Pool and is responsible for the overall business and operations of the Pool. For the six-month period ended June 30, 2019, the Pool paid \$3.9 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 65,329 Series F units of the Pool as of June 30, 2019.



VPI CANADIAN BALANCED POOL

**Financial Highlights**

The following tables show selected key financial information about each series of the Pool and are intended to help you understand the Pool's financial performance for the past five years ended December 31 and the six-month period ended June 30, 2019. *This information is derived from the Pool's audited annual financial statements and interim unaudited financial statements and is not intended to be a reconciliation of the net asset value per unit.*

**The Pool's Net Assets Per Unit (\$) <sup>(1)</sup>**

<b>Series A</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
<b>Net assets, beginning of period</b>	<b>14.17</b>	<b>14.40</b>	<b>13.49</b>	<b>12.26</b>	<b>12.38</b>	<b>11.44</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.18	0.35	0.36	0.38	0.36	0.35
Total expenses	(0.15)	(0.30)	(0.29)	(0.26)	(0.27)	(0.26)
Realized gains (losses) for the period	0.06	0.18	0.18	0.26	(0.03)	0.18
Unrealized gains (losses) for the period	1.40	(0.46)	0.72	0.98	(0.13)	0.78
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.49</b>	<b>(0.23)</b>	<b>0.97</b>	<b>1.36</b>	<b>(0.07)</b>	<b>1.04</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.01)	(0.07)	(0.12)	(0.07)	(0.12)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>(0.01)</b>	<b>(0.07)</b>	<b>(0.12)</b>	<b>(0.07)</b>	<b>(0.12)</b>
<b>Net assets, end of period</b>	<b>15.68</b>	<b>14.17</b>	<b>14.40</b>	<b>13.49</b>	<b>12.26</b>	<b>12.38</b>

<b>Series B</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
<b>Net assets, beginning of period</b>	<b>14.09</b>	<b>14.34</b>	<b>13.41</b>	<b>12.16</b>	<b>12.25</b>	<b>11.32</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	0.18	0.34	0.36	0.37	0.35	0.34
Total expenses	(0.17)	(0.32)	(0.32)	(0.29)	(0.29)	(0.29)
Realized gains (losses) for the period	0.08	0.19	0.17	0.27	(0.03)	0.17
Unrealized gains (losses) for the period	1.47	(0.40)	0.71	0.93	(0.10)	0.79
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.56</b>	<b>(0.19)</b>	<b>0.92</b>	<b>1.28</b>	<b>(0.07)</b>	<b>1.02</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	(0.06)	(0.01)	(0.10)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.06)</b>	<b>(0.01)</b>	<b>(0.10)</b>
<b>Net assets, end of period</b>	<b>15.58</b>	<b>14.09</b>	<b>14.34</b>	<b>13.41</b>	<b>12.16</b>	<b>12.25</b>



**Financial Highlights (continued)**

<b>Series F</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
<b>Net assets, beginning of period</b>	<b>14.36</b>	<b>14.58</b>	<b>13.67</b>	<b>12.42</b>	<b>12.54</b>	<b>11.55</b>
<b>Increase from operations:</b>						
Total revenue	0.18	0.36	0.37	0.39	0.36	0.35
Total expenses	(0.08)	(0.17)	(0.16)	(0.15)	(0.15)	(0.15)
Realized gains (losses) for the period	0.07	0.18	0.19	0.24	(0.03)	0.18
Unrealized gains (losses) for the period	1.41	(0.55)	0.75	1.08	(0.03)	0.77
<b>Total increase from operations <sup>(2)</sup></b>	<b>1.58</b>	<b>(0.18)</b>	<b>1.15</b>	<b>1.56</b>	<b>0.15</b>	<b>1.15</b>
<b>Distributions:</b>						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.14)	(0.21)	(0.26)	(0.19)	(0.20)
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>(0.14)</b>	<b>(0.21)</b>	<b>(0.26)</b>	<b>(0.19)</b>	<b>(0.20)</b>
<b>Net assets, end of period</b>	<b>15.97</b>	<b>14.36</b>	<b>14.58</b>	<b>13.67</b>	<b>12.42</b>	<b>12.54</b>

<b>Series O<sup>(4)</sup></b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>
<b>Net assets, beginning of period<sup>(4)</sup></b>	<b>10.40</b>	<b>10.53</b>	<b>10.00</b>
<b>Increase from operations:</b>			
Total revenue	0.13	0.26	0.14
Total expenses	-	(0.01)	-
Realized gains (losses) for the period	0.05	0.14	0.05
Unrealized gains (losses) for the period	1.03	(0.42)	(0.69)
<b>Total decrease from operations <sup>(2)</sup></b>	<b>1.21</b>	<b>(0.03)</b>	<b>(0.50)</b>
<b>Distributions:</b>			
From net investment income (excluding dividends)	-	-	-
From dividends	-	(0.18)	(0.23)
From capital gains	-	-	-
Return of capital	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>-</b>	<b>(0.18)</b>	<b>(0.23)</b>
<b>Net assets, end of period</b>	<b>11.63</b>	<b>10.40</b>	<b>10.53</b>

(1) This information is derived from the Pool's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units of the Pool, or both.

(4) Inception date: July 5, 2017





**Ratios and Supplemental Data**

<b>Series A</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
Total net asset value (000's) <sup>(1)</sup>	\$411,200	\$346,791	\$322,602	\$296,822	\$265,493	\$249,593
Number of units outstanding (000's) <sup>(1)</sup>	26,221	24,475	22,406	22,001	21,648	20,164
Management expense ratio <sup>(2)</sup>	1.99%	2.01%	2.00%	2.00%	2.01%	2.01%
Management expense ratio before waivers or absorptions	1.99%	2.01%	2.00%	2.00%	2.01%	2.01%
Trading expense ratio <sup>(3)</sup>	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate <sup>(4)</sup>	1.76%	3.39%	11.11%	12.76%	6.99%	15.34%
Net asset value per unit <sup>(1)</sup>	\$15.68	\$14.17	\$14.40	\$13.49	\$12.26	\$12.38

<b>Series B</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
Total net asset value (000's) <sup>(1)</sup>	\$25,653	\$28,307	\$38,464	\$44,071	\$44,967	\$50,534
Number of units outstanding (000's) <sup>(1)</sup>	1,647	2,009	2,682	3,287	3,698	4,126
Management expense ratio <sup>(2)</sup>	2.23%	2.25%	2.23%	2.22%	2.23%	2.23%
Management expense ratio before waivers or absorptions	2.23%	2.25%	2.23%	2.22%	2.23%	2.23%
Trading expense ratio <sup>(3)</sup>	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate <sup>(4)</sup>	1.76%	3.39%	11.11%	12.76%	6.99%	15.34%
Net asset value per unit <sup>(1)</sup>	\$15.58	\$14.09	\$14.34	\$13.41	\$12.16	\$12.25

<b>Series F</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>	<b>December 31 2016</b>	<b>December 31 2015</b>	<b>December 31 2014</b>
Total net asset value (000's) <sup>(1)</sup>	\$54,955	\$43,153	\$28,143	\$19,594	\$13,979	\$15,862
Number of units outstanding (000's) <sup>(1)</sup>	3,442	3,005	1,930	1,434	1,125	1,265
Management expense ratio <sup>(2)</sup>	1.05%	1.06%	1.05%	1.05%	1.06%	1.06%
Management expense ratio before waivers or absorptions	1.05%	1.06%	1.05%	1.05%	1.06%	1.06%
Trading expense ratio <sup>(3)</sup>	0.00%	0.00%	0.01%	0.01%	0.01%	0.02%
Portfolio turnover rate <sup>(4)</sup>	1.76%	3.39%	11.11%	12.76%	6.99%	15.34%
Net asset value per unit <sup>(1)</sup>	\$15.97	\$14.36	\$14.58	\$13.67	\$12.42	\$12.54

<b>Series O</b>	<b>June 30 2019</b>	<b>December 31 2018</b>	<b>December 31 2017</b>
Total net asset value (000's) <sup>(1)</sup>	\$5,607	\$4,243	\$1,083
Number of units outstanding (000's) <sup>(1)</sup>	482	408	103
Management expense ratio <sup>(2)</sup>	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.10%	0.11%	0.11%
Trading expense ratio <sup>(3)</sup>	0.00%	0.00%	0.01%
Portfolio turnover rate <sup>(4)</sup>	1.76%	3.39%	11.11%
Net asset value per unit <sup>(1)</sup>	\$11.63	\$10.40	\$10.53

(1) This information is provided as at the date shown.

(2) Management expense ratio is based on total expenses for the stated period (excluding distributions, commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets during the period. In the period a series is established, the management expense ratio is annualized from the date of inception to December 31.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(4) The Pool's portfolio turnover rate indicates how actively the Pool's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher the Pool's portfolio turnover rate in a year, the greater the trading costs payable by the Pool in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Pool.



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## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2019

### VPI CANADIAN BALANCED POOL

#### **Other Information**

As at June 30, 2019, Value Partners Group Inc. (VPGI) owns 100 percent of the Manager and Lawton Partners Financial Planning Services Limited (Lawton Partners), a mutual fund dealer. VPGI is 37.4 percent owned by Longton Ltd., whose shareholders include specified members of the Lawton family, including one director/officer of the Manager and one director/officer/sales representative of Lawton Partners. Certain of the directors, officers and shareholders of VPGI are also shareholders and sales representatives of Lawton Partners.

As of June 30, 2019, sales representatives of Lawton Partners hold, in aggregate, Class A1 shares of VPGI representing 17.2 percent of the common equity and Class C1 shares representing 6.2 percent of the common equity. The remaining common equity of VPGI was held by sales representatives of other dealer firms and employees of the Manager. Additional information regarding equity interests may be obtained from the Pool's annual information form or from the Manager's website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca).

#### **Forward-Looking Statements**

*This report may contain forward-looking statements about the Pool, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Pool action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Pool and economic factors.*

*Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Pool. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.*

*We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Pool has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.*