



**VALUE
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INVESTMENTS

VPI CANADIAN EQUITY POOL

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

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

VALUE PARTNERS INVESTMENTS INC.

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



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Interim Management Discussion of Fund Performance

August 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 \$148.9 million for the six-month period ended June 30, 2019 due to \$82.5 million of net sales and a \$66.4 million increase in net assets from operations. The increase in net assets from operations was due to \$43.9 million of unrealized appreciation in the value of investments, \$14.9 million in dividend income, interest income of \$0.7 million and \$16.8 million of net realized gains on the sale of investments. This was offset by \$9.5 million in management fees and operating expenses, along with a \$0.4 million foreign exchange loss on cash.

There were several changes made to the Pool's equity holdings during the period. The following table summarizes the businesses that were added and/or removed from the portfolio:

<i>Additions</i>	<i>Dispositions</i>
FedEx Corporation	United Technologies Corporation
Intel Corporation	

The Portfolio Manager made the above equity additions and added to existing positions that they believed were attractively valued using cash available in the Pool.

As a result of these decisions, changes in market values and cashflows during the period, there were some notable shifts in the portfolio allocation from the beginning of the year as indicated in the following table.

<i>Sector</i>	<i>Allocation Increase</i>	<i>Sector</i>	<i>Allocation Decrease</i>
Technology, Hardware & Equipment	2.8%	Capital Goods	3.3%
Transportation	2.8%	Cash	3.1%
Energy	1.2%	Pharmaceuticals	0.7%
Banks	0.8%	Utilities	0.5%
Media	0.2%	Automobiles & Components	0.1%

Each series of the Pool experienced a return in the range of 7.2% to 8.3% over the period, which was below the 16.2% return of the S&P/TSX Composite Total Return Index (the "Index"). Index returns were driven by very good performance in the information technology and healthcare sectors, which the Pool had limited exposure to. The Pool benefited from its communication services, utilities, and industrial holdings, as the Walt Disney Company, Fortis, Canadian Utilities, United Technologies, and Union Pacific all performed well. Consistent with the Index, the Pool's energy holdings were the worst performing stocks during the period. The Portfolio Manager took advantage of the lower stock prices by purchasing additional shares in Canadian Natural Resources, Husky Energy and Suncor Energy. The Portfolio Manager also took advantage of market volatility during the period to purchase additional shares in CIBC, Wells Fargo and UPS, and realized an attractive return in its position of United Technologies.



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Revenues and Expenses

Revenues of the Pool for the year included \$15.6 million of dividend and interest income. These were offset by management fees and operating expenses of \$9.5 million during the period along with a \$0.4 million foreign exchange loss on cash.

The realized gain on sale of investments of \$16.8 million is attributable to one full disposition as well as several partial dispositions of shares from the portfolio during the year. Dividends received from each of these holdings while in the Pool are in addition to these gains.

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain (Loss) (millions)
United Technologies Corporation	4.4 years	\$ 37.6	\$ 24.7	\$ 12.9
Partial Dispositions	n/a	\$ 10.0	\$ 6.1	\$ 3.9
		\$ 47.6	\$ 30.8	\$ 16.8

Further to these realized gains, the Pool also experienced \$43.9 million of unrealized appreciation in the value of its investments.

Recent Developments

Economic Conditions

The Canadian economy continued to improve slightly over the period with GDP growth of 1.3%. Although the rate of growth has been low, the Bank of Canada continued to leave its policy rate unchanged at 1.75%. The Canadian Dollar strengthened during the first six months of the year versus the U.S. dollar, having a slightly negative impact on Pool performance and could hinder exporting businesses should the trend continue. The unemployment rate continued to fall during the first six months of the year to 5.5%. This rate is still significantly higher than the U.S. unemployment rate of 3.7%, and as such, the Portfolio Manager believes that there is room for the Canadian economy to improve further.

The Portfolio Manager believes there are good opportunities available in several industries; however, caution is still warranted given market conditions today. The outlook for global economic growth remains clouded by persistent trade tensions between the U.S. and China primarily. Those trade tensions may continue to escalate and cause volatility around the world regarding currencies, inflation, commodity prices, and interest rates. In both Canada and the United States market valuations remain above levels that the Portfolio Manager believes are reasonable given the uncertainty in the global environment. This has led the Portfolio Manager to maintain a healthy cash position in the Pool. The Portfolio Manager continues to seek opportunities that meet the Pool's investment criteria.

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.



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Portfolio Allocation

Canadian Equities	55.5%	Cash	12.2%
US Equities	32.2%	Other Net Assets	0.1%

Sector Allocation

Banks	31.7%	Media	6.1%
Energy	15.6%	Pharmaceuticals	5.1%
Transportation	12.9%	Automobiles & Components	4.6%
Cash	12.2%	Technology, Hardware & Equipment	2.8%
Utilities	8.9%	Other Net Assets	0.1%

Top 25 Holdings

Issuer	Percentage of Net Assets
Cash	12.2%
Disney (Walt) Company Holding Co.	6.1%
United Parcel Service Inc.; Class B	6.1%
Bank of Nova Scotia	5.8%
Suncor Energy Inc.	5.5%
Wells Fargo & Company	5.3%
Canadian Natural Resources	5.3%
Canadian Imperial Bank of Commerce	5.3%
Royal Bank of Canada	5.1%
Johnson & Johnson	5.1%
Toronto Dominion Bank	5.1%
Bank of Montreal	5.1%
Fortis Inc.	4.8%
Husky Energy Inc.	4.8%
Magna International Inc.	4.6%
Canadian Utilities Limited	4.1%
Union Pacific Corporation	3.7%
FedEx Corporation	3.1%
Intel Corporation	2.8%
Other Net Assets	0.1%
Total	100.0%

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



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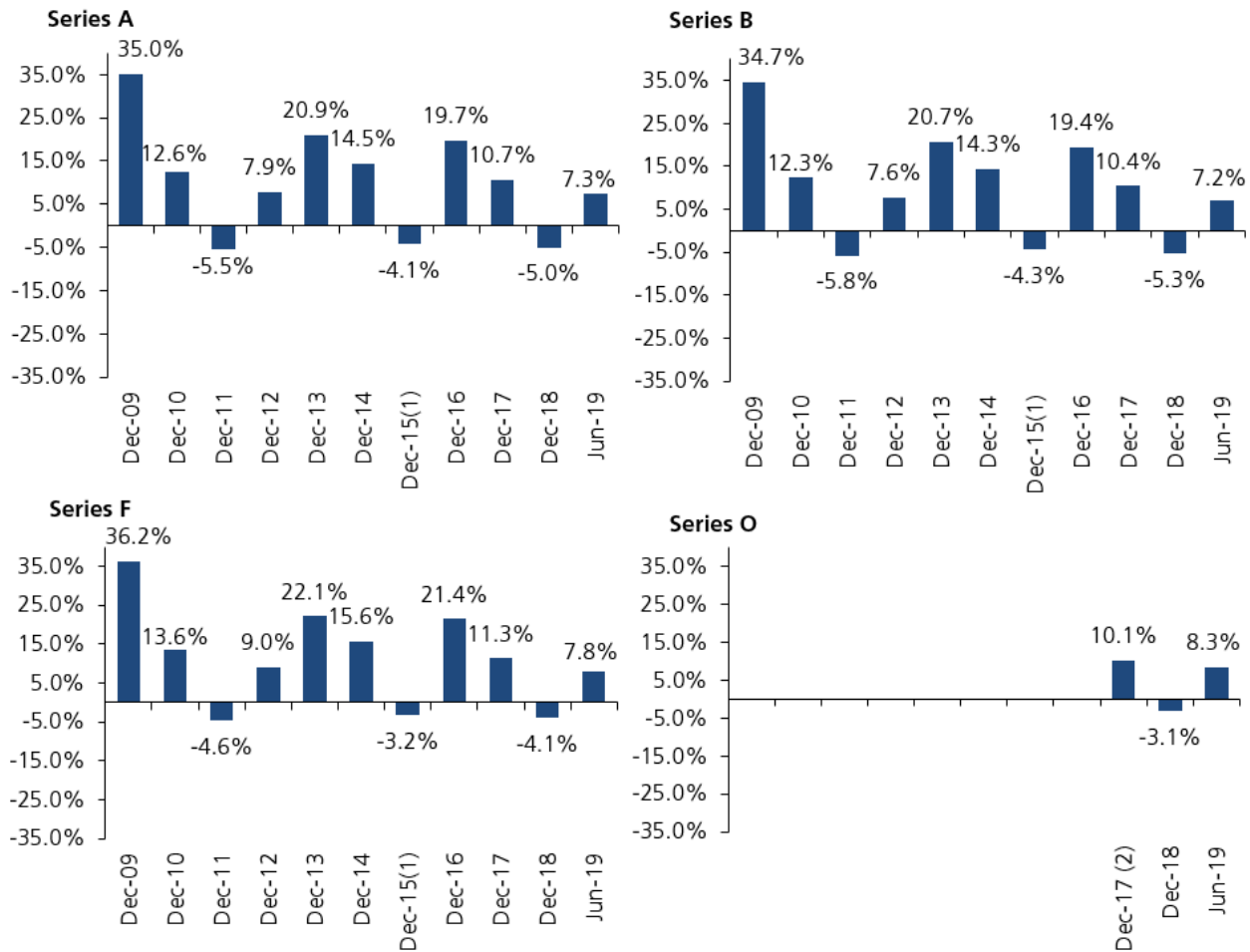
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Past Performance

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

Year-by-Year Returns

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



(1) Value Partners Investments Inc. assumed the portfolio management responsibilities of the Pool on January 5, 2015.
 (2) 2017 return is since inception on July 5, 2017.



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Management Fees

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

For the six-months ended June 30, 2019, approximately 42% 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 15% 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 \$8.1 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 61,041 Series F units of the Pool as of June 30, 2019.



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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 (\$) ⁽¹⁾

Series A	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Net assets, beginning of period	18.04	19.44	17.61	15.10	15.86	15.32
Increase (decrease) from operations:						
Total revenue	0.29	0.64	0.38	0.47	0.55	0.52
Total expenses	(0.20)	(0.41)	(0.38)	(0.34)	(0.33)	(0.35)
Realized gains for the period	0.33	0.58	0.50	0.71	0.26	1.88
Unrealized gains (losses) for the period	0.85	(1.88)	1.42	2.17	(1.13)	0.19
Total increase (decrease) from operations ⁽²⁾	1.27	(1.07)	1.92	3.01	(0.65)	2.24
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.05)	(0.05)	(0.09)	(0.12)	(0.11)
From capital gains	-	(0.38)	-	(0.38)	-	(1.54)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.43)	(0.05)	(0.47)	(0.12)	(1.65)
Net assets, end of period	19.36	18.04	19.44	17.61	15.10	15.86

Series B	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Net assets, beginning of period	14.19	15.29	13.85	11.86	12.42	12.01
Increase (decrease) from operations:						
Total revenue	0.23	0.49	0.30	0.37	0.43	0.40
Total expenses	(0.17)	(0.36)	(0.33)	(0.30)	(0.29)	(0.30)
Realized gains for the period	0.25	0.51	0.37	0.57	0.20	1.45
Unrealized gains (losses) for the period	0.77	(1.19)	1.07	1.61	(0.85)	0.18
Total increase (decrease) from operations ⁽²⁾	1.08	(0.55)	1.41	2.25	(0.51)	1.73
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	(0.02)	(0.06)
From capital gains	-	(0.30)	-	(0.31)	-	(1.22)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.30)	-	(0.31)	(0.02)	(1.28)
Net assets, end of period	15.21	14.19	15.29	13.85	11.86	12.42



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Financial Highlights (continued)

Series F	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Net assets, beginning of period	14.91	16.07	14.52	12.46	13.12	12.62
Increase (decrease) from operations:						
Total revenue	0.24	0.53	0.31	0.39	0.45	0.43
Total expenses	(0.09)	(0.18)	(0.17)	(0.16)	(0.15)	(0.16)
Realized gains for the period	0.27	0.47	0.43	0.54	0.20	1.79
Unrealized gains (losses) for the period	0.66	(1.62)	1.21	2.00	(1.02)	(0.21)
Total increase (decrease) from operations ⁽²⁾	1.08	(0.80)	1.78	2.77	(0.52)	1.86
Distributions:						
From net investment income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.18)	(0.17)	(0.22)	(0.24)	(0.18)
From capital gains	-	(0.32)	-	(0.31)	-	(1.27)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	-	(0.50)	(0.17)	(0.53)	(0.24)	(1.45)
Net assets, end of period	16.08	14.91	16.07	14.52	12.46	13.12

Series O ⁽⁴⁾	June 30 2019	December 31 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	10.07	10.84	10.00
Increase (decrease) from operations:			
Total revenue	0.17	0.38	0.09
Total expenses	(0.01)	-	-
Realized gains for the period	0.19	0.23	0.34
Unrealized gains (losses) for the period	0.36	(1.46)	0.95
Total increase (decrease) from operations ⁽²⁾	0.71	(0.85)	1.38
Distributions:			
From net investment income (excluding dividends)	-	-	-
From dividends	-	(0.21)	(0.18)
From capital gains	-	(0.22)	-
Return of capital	-	-	-
Total annual distributions ⁽³⁾	-	(0.43)	(0.18)
Net assets, end of period	10.92	10.07	10.84

(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.



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Ratios and Supplemental Data

Series A	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Total net asset value (000's) ⁽¹⁾	\$822,118	\$713,221	\$650,134	\$521,814	\$402,706	\$408,325
Number of units outstanding (000's) ⁽¹⁾	42,461	39,530	33,437	29,635	26,669	25,746
Management expense ratio ⁽²⁾	1.97%	1.98%	1.99%	1.99%	2.00%	2.00%
Management expense ratio before waivers or absorptions	1.97%	1.98%	1.99%	1.99%	2.00%	2.00%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.01%	0.03%	0.03%	0.05%
Portfolio turnover rate ⁽⁴⁾	5.60%	10.63%	6.33%	13.85%	14.90%	26.81%
Net asset value per unit ⁽¹⁾	\$19.36	\$18.04	\$19.44	\$17.61	\$15.10	\$15.86

Series B	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Total net asset value (000's) ⁽¹⁾	\$42,147	\$44,521	\$64,616	\$69,169	\$65,390	\$77,540
Number of units outstanding (000's) ⁽¹⁾	2,772	3,138	4,225	4,994	5,513	6,244
Management expense ratio ⁽²⁾	2.22%	2.25%	2.24%	2.24%	2.25%	2.25%
Management expense ratio before waivers or absorptions	2.22%	2.25%	2.24%	2.24%	2.25%	2.25%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.01%	0.03%	0.03%	0.05%
Portfolio turnover rate ⁽⁴⁾	5.60%	10.63%	6.33%	13.85%	14.90%	26.81%
Net asset value per unit ⁽¹⁾	\$15.21	\$14.19	\$15.29	\$13.85	\$11.86	\$12.42

Series F	June 30 2019	December 31 2018	December 31 2017	December 31 2016	December 31 2015	December 31 2014
Total net asset value (000's) ⁽¹⁾	\$157,787	\$124,179	\$98,158	\$66,590	\$34,186	\$21,298
Number of units outstanding (000's) ⁽¹⁾	9,813	8,326	6,109	4,585	2,744	1,624
Management expense ratio ⁽²⁾	1.02%	1.03%	1.03%	1.03%	1.05%	1.05%
Management expense ratio before waivers or absorptions	1.02%	1.03%	1.03%	1.03%	1.05%	1.05%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.01%	0.03%	0.03%	0.05%
Portfolio turnover rate ⁽⁴⁾	5.60%	10.63%	6.33%	13.85%	14.90%	26.81%
Net asset value per unit ⁽¹⁾	\$16.08	\$14.91	\$16.07	\$14.52	\$12.46	\$13.12

Series O	June 30 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$21,095	\$12,360	\$428
Number of units outstanding (000's) ⁽¹⁾	1,933	1,227	40
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.08%	0.08%	0.07%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	5.60%	10.63%	6.33%
Net asset value per unit ⁽¹⁾	\$10.92	\$10.07	\$10.84

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

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

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

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



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Other Information

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.

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.