



PROTECTING CAPITAL DURING UNCERTAINTY

Lately, headlines about tariffs and trade wars have caused uncertainty and turbulence in markets around the world. The VPI Dividend Growth pool outperformed the benchmark during a volatile first quarter.

Q1 2025 PERFORMANCE

VPI Dividend Growth Pool



-0.6%

Benchmark

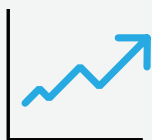
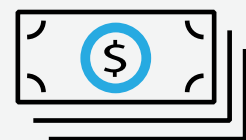
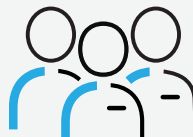


-4.2%

BUILT FOR TIMES LIKE THESE

INVESTMENT STRATEGY YOU CAN COUNT ON

Despite the current unknowns, the portfolio manager firmly believes that this thoughtfully constructed portfolio offers an attractive investment opportunity. The strategy of owning resilient, market-leading companies allows the portfolio manager to manage risks effectively while continuing to generate strong returns for investors with the utmost confidence.

**STRUCTURAL GROWTH****DOMINANT FRANCHISES****FCF GENERATION****VALUE CREATING REINVESTMENT****EFFECTIVE MANAGEMENT****STAKEHOLDER FOCUSED****LOW PAYOUT RATIOS****STRONG BALANCE SHEETS****CONSISTENCY**

Note: Q1 2025 performance is for the quarter ending March 31, 2025, for VPI Dividend Growth Pool – Series A and Benchmark is S&P 500 Total Return Index (CAD). Source: Value Partners Investments, Bristol Gate Capital Partners.

POSITIONING THE PORTFOLIO FOR THE LONG-TERM PORTFOLIO ACTIVITY

SOLD

These businesses had reduced dividend growth expectations, so the portfolio manager decided to sell and make that capital available for better opportunities.


4.3%

Annualized Return


7.4%

Annualized Return


5.1%

Annualized Return

BOUGHT

The portfolio manager believes these three businesses are expected to grow their dividends at a high rate and are great investment opportunities for clients.



Reasons For Purchase

- Strong revenue and free cash flow growth provide a long runway for dividend growth and capital appreciation
- Diverse range of products that put Eli Lilly and Company in a strong position
- Higher valuation is justified by the significant opportunities that Eli Lilly and Company has with their diabetes medications



Reasons For Purchase

- Established customer base that relies on Wabtec for ongoing services
- Opportunity for growth as aging equipment needs replacing
- Demand for improved technology that achieves fuel savings
- History of growing dividends at high rates
- The Portfolio Manager believes Wabtec has an attractive runway for growth


21,300+

Domino's Stores


90+

International Markets


1M+

Customers Served Daily

Note: Corteve initial purchase date was February 24, 2023 and the final sale date was January 10, 2025. CSX initial purchase date was September 19, 2023 and the final sale date was January 13, 2025. Lowe's initial purchase date was January 11, 2022 and final sale date was March 27, 2025. Annualized returns sourced from Value Partners Investments. Eli Lilly initial purchase date was January 10, 2025 at a share price of US\$793.41. Wabtec initial purchase date was January 10, 2025 at a share price of US\$188.98. Domino's initial purchase dates were March 27 and 28, 2025 at an average weighted share price of US\$456.32. Reasons for Purchase sourced from Bristol Gate Capital Partners. Domino's stats sourced from Domino's Investor Relations.

DIVIDEND INCREASES

RELIABLE & GROWING INCOME STREAM AMID MARKET TURBULENCE

The businesses are consistently growing their dividends. Nine of the businesses announced dividend increases in the past quarter, and in the past year the average dividend increase is over 28%! Given the businesses robust financial health, the portfolio manager anticipates that dividends continue to grow, meaning reliable and growing income streams for clients, even amid market turbulence.



GE Aerospace

**BROADCOM****INTUIT****McKESSON****MICROCHIP**

Marsh McLennan



Microsoft

MOODY'S

MSCI



SHERWIN WILLIAMS

VISA

Wabtec CORPORATION

zoetis

COMPANY	Q2 2024	Q3 2024	Q4 2024	Q1 2025	TOTAL
Applied Materials Inc.				15.0%	15.0%
Broadcom Inc.		1.0%	11.3%		12.4%
Carrier Global Corp.			18.4%		18.4%
Cintas Corp.		15.6%			15.6%
Domino's Pizza Inc.				15.2%	15.2%
Eli Lilly & Co.			15.4%		15.4%
General Electric Co.	250.0%			28.6%	350.0%
Intuit Inc.		15.6%			15.6%
Marsh & McLennan Companies Inc.		14.8%			14.8%
Mastercard Inc.			15.2%		15.2%
McKesson Corp.		14.5%			14.5%
Microchip Technology Inc.	0.4%	0.4%	0.2%		1.1%
Microsoft Corp.		10.7%			10.7%
Moody's Corp.				10.6%	10.6%
MSCI Inc.				12.5%	12.5%
Old Dominion Freight Line Inc.				7.7%	7.7%
Sherwin-Williams Co.				10.5%	10.5%
Thermo Fisher Scientific Inc.				10.3%	10.3%
UnitedHealth Group Inc.	11.7%				11.7%
Visa Inc.			13.5%		13.5%
Westinghouse Air Brake Technologies Corp.				25.0%	25.0%
Zoetis Inc.			15.7%		15.7%
AVERAGE INCREASE					28.7%

Note: Dividend increases for companies held in the VPI Dividend Growth Pool as of March 31, 2025. Dividend increases based on announced dates and represent changes in dividends paid per share, in dividend payment currency. Average Increase is calculated using a simple average. Total column represents the total percentage change in dividends since March 31, 2024. Source: S&P Capital IQ, Company Investor Relations, Value Partners Investments.



STANDARD PERFORMANCE DATA

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SERIES A	7.1%	11.3%	14.0%	9.5%

Note: Annualized returns as of March 31, 2025. Inception: November 6, 2019. Source: Value Partners Investments Inc.

DISCLAIMER

*The S&P 500 Total Return Index ("the Strategy's Benchmark") is the headline index for the US equity market, including dividend reinvestment. This index is provided for information only and comparisons to the index has limitations. The Strategy's Benchmark is an appropriate standard against which the performance of the Bristol Gate US Equity Strategy can be measured over longer time periods as it represents the primary investment environment from which the Portfolio Manager selects securities. The Strategy is based on selecting securities that have high expect dividend growth, that are also of high quality and reasonable valuations. Although there are similarities, the Strategy's Benchmark is a broad stock index that includes both dividend and non-dividend paying equities that is weighted based on market capitalization. Therefore, performance deviations relative to the Strategy's Benchmark may be significant. The Strategy also has concentrated investments in a limited number of companies compared to the Strategy's Benchmark. As a result, a change in one security's value may have more effect on the strategies value as compared to the Strategy's Benchmark.

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The complete holdings of the Pool are disclosed in its Financial Statements semi-annually. On a quarterly basis, the Pool discloses its top 25 holdings in its Top 25 Holdings report. Both these documents are available on our website at www.valuepartnersinvestments.ca. Value Partners is a registered Investment fund manager, portfolio manager, and exempt market dealer and has engaged Bristol Gate Capital Partners Inc., a registered portfolio manager, to make decisions about the investments made by the Pool – these investment decisions are not made by Value Partners.

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