



**VALUE
PARTNERS**
INVESTMENTS

VPI MORTGAGE POOL

**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

HSBC GLOBAL ASSET MANAGEMENT (CANADA) LIMITED

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.



Interim Management Discussion of Fund Performance

August 18, 2022

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, 2021, 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, 2021.

Results of Operations

Net assets of the Pool decreased by approximately \$9.8 million for the six-months ended June 30, 2022, due primarily to net redemptions of \$7.8 million. The Pool also experienced a decrease in net assets from operations of \$1.7 million and paid out income distributions to unitholders of \$0.3 million. The decrease in net assets from operations was due to \$0.3 million in management fees and operating expenses, \$1.7 million of unrealized depreciation in the value of investments and \$0.3 million in net realized losses on the sale of investments. This was offset by \$0.6 million of interest income distributed from the Underlying Fund.

During the period, the Portfolio Manager purchased and disposed of units in the HSBC Mortgage Fund (the "Underlying Fund") as cash proceeds became available, or cash redemptions were required from unitholders. As per the Pool's objective, the only investment made during the period was in units of the Underlying Fund.

Each series of the Pool experienced a loss in the range of -2.2% to -2.9% during the period which was better than the 4.4% loss of the benchmark FTSE Canada Short Term Bond Index.

Inflation has been the major theme across markets over the first half of the year, with inflation in both Canada and the US at levels not seen since the 1980s. Fixed income securities suffered a sharp repricing in the first six months of 2022 as economic data, particularly employment data, remained robust, and as central banks have been ultra-aggressive in raising rates and guiding markets to expect further outsized rate hikes over the rest of the year. Within six months, the yield on the five-year Canada bond rose from 1.25% to 3.1%, which produced a price decline of 7.8%. Corporate credit spreads responded to harshly tighter financial conditions by widening nearly 70 basis points.

Revenues and Expenses

Revenues of the Pool amounted to \$0.6 million, representing interest income distributed from the Underlying Fund and realized a \$0.3 million loss on the sale of investments. The Pool also experienced \$1.7 million of unrealized depreciation in the value of investments and incurred \$0.3 million in management fees and operating expenses, net of \$40 thousand of expenses absorbed by the Manager to maintain the Pool's MER at a competitive level.

Recent Developments

Economic Conditions

Heading into 2022, the US Federal Reserve (Fed) Chair Jerome Powell retired the term "transient" to describe inflation. Both the Fed and the Bank of Canada have been surprised by the depth and breadth of inflation plaguing their respective economies and the term "transient" has given way to "entrenched" to describe the current inflation environment. New COVID-19 variants, Russia's invasion of Ukraine and continued supply chain disruptions have all contributed to the rise in inflation over the first half of the year; however, stickier areas of the inflation basket have risen in 2022, including owners' equivalent rent and wages. Along with the transition from goods expenditures to services expenditures, there is a massive labour shortage in the services sector. The Fed and the Bank of Canada have been clear they are ready to tackle inflation by attacking the demand side of inflation. Markets are pondering if central banks can curtail rampant and widespread inflation without pushing the economy into a recession.

The Bank of Canada has started quantitative tightening by raising its overnight rate by 125 basis points thus far in 2022. The market is expecting a further 225 basis points of hikes by year-end, which would take the overnight rate to 3.5%, or double the highest rate (1.75%) since the global financial crisis over a decade ago. Such a sharp reduction of liquidity and financial conditions has weighed on sentiment indicators, which are pointing to a weakening in economic data in the coming months.



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Recent Developments (continued)

The Portfolio Manager has moved to a more cautious allocation given the intensifying macro risks and increasing expectations for the peak of the central bank rate hikes. The Portfolio Manager has a modest preference for corporate bonds over government bonds as credit spreads have widened to attractive levels. The Underlying Fund continues to be underweighted in duration and holds a neutral allocation to mortgages.

Series Name Change

Series I units of the Pool were formerly known as Series O units and were renamed as Series I units on June 15, 2022. Series I units are available to investors who have, or whose dealer has, entered into an agreement directly with the Manager to purchase Series I units and who make the required minimum investment and minimum additional investment as set out by the Manager from time to time. Such investors may include investors who opened a discretionary investment management account with the Manager prior to on or about September 30, 2022, certain institutional investors as approved by the Manager and other mutual funds managed by the Manager.

Series O units of the Pool were qualified on June 28, 2022 and are available to investors who have entered into a discretionary investment management account with the Manager.



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Portfolio Allocation

Mutual Funds	98.9%	Other Net Assets	-0.1%
Cash	1.2%		

Top 25 Holdings

Issuer	Percentage of Net Assets
HSBC Mortgage Fund, Institutional Series	98.9%
Cash	1.2%
Other Net Assets	-0.1%
Total	100.0%

As at June 30, 2022 the net assets of the Pool were invested primarily in the Underlying Fund. As a result, the top 25 holdings of the Underlying Fund at the end of the period and the major asset classes in which the Underlying Fund was invested are indicated below.

Portfolio Allocation – Underlying Fund

Residential Mortgages	79.3%	Cash & equivalents	7.9%
Bonds	12.7%	Mortgage-backed Securities	0.1%

Top 25 Holdings – Underlying Fund

Issuer	Maturity Date	Coupon Rate	Percentage of Net Assets
Residential Mortgages			79.3%
Canada Housing Trust by CMHC, a government agency	15-Dec-26	1.1%	3.7%
Royal Bank of Canada	04-Jul-22	1.5%	2.5%
Government of Canada	08-Dec-22		2.0%
BHP Billiton Finance Ltd.	15-May-23	3.2%	0.8%
National Bank	04-Jul-22	1.5%	0.8%
Bank of Nova Scotia	01-May-23	2.4%	0.7%
TransCanada Pipelines Ltd.	06-Jul-22		0.4%
Enbridge Inc	07-Jul-22		0.4%
Enbridge Inc	19-Jul-22		0.4%
Enbridge Inc	02-Sep-22		0.4%
The Toronto-Dominion Bank	22-Apr-30	3.1%	0.4%
Royal Bank of Canada, FRN	01-Feb-23	1.5%	0.4%
Coast Capital Savings	03-May-28	5.0%	0.4%
Suncor Energy Inc.	27-Sep-22		0.3%
Royal Bank of Canada	24-Nov-80	4.5%	0.3%
The Toronto-Dominion Bank	01-Apr-23	1.9%	0.3%
Aroundtown SA	18-Sep-25	4.6%	0.3%
Aimco Realty	04-Nov-26	2.2%	0.2%
Bank of America Corporation	25-Apr-25	2.9%	0.2%
Daimler Canada Finance	16-Aug-22	3.3%	0.2%
Intact Financial Corporation	05-Jul-22		0.2%
Paccar Financial Limited	07-Jul-22		0.2%
OMERS Realty Corporation	05-Jun-23	3.4%	0.2%
Morgan Stanley	07-Feb-24	3.0%	0.2%
Total			95.2%

The above summary of investment portfolio may change due to ongoing portfolio transactions of the Pool and the Underlying Fund. An update will be made available within 60 days of each subsequent quarter-end. Additional information about the Underlying Fund, including its prospectus, is available at www.SEDAR.com.



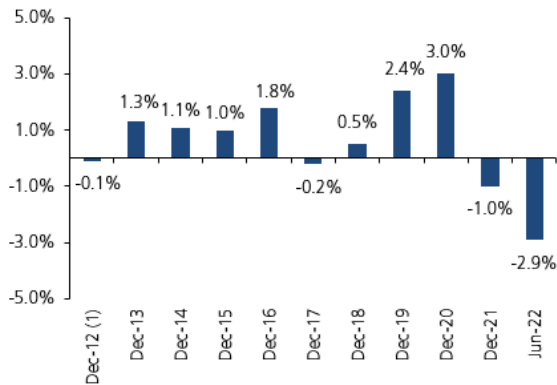
Past Performance

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.

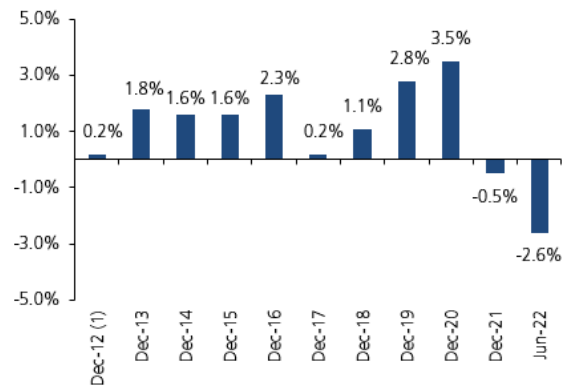
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2022, 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.

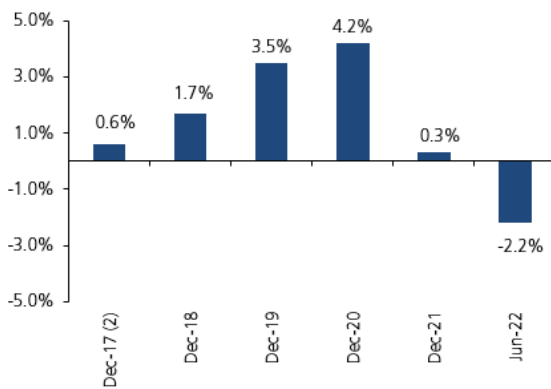
Series A



Series F



Series I



(1) 2012 return is since inception on October 30, 2012

(2) 2017 return is since inception on July 5, 2017.

The past performance for the Underlying Fund is available in the Underlying Fund’s annual and interim management report of fund performance and its annual and interim financial statements, all available on www.SEDAR.com.



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Management Fees

The Pool pays an annual management fee on each of its series (excluding Series I and 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-month period ended June 30, 2022, approximately 26% 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 19% 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-months ended June 30, 2022, the Pool paid \$228 thousand in management fees (excluding taxes) to the Manager. For the six-month period ended June 30, 2022, the Manager absorbed \$40 thousand of the Pool's operating expenses. In addition, the parent company of the Manager also held 215,176 Series F units and 1 Series I unit of the Pool as of June 30, 2022.



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, 2022. *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 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period	9.97	10.13	9.93	9.82	9.86	9.98
Increase (decrease) from operations:						
Total revenue	0.10	0.19	0.24	0.25	0.25	0.23
Total expenses	(0.06)	(0.13)	(0.13)	(0.12)	(0.13)	(0.12)
Realized gains (losses) for the period	(0.05)	0.02	0.03	(0.01)	(0.04)	(0.01)
Unrealized gains (losses) for the period	(0.27)	(0.18)	0.15	0.10	(0.03)	(0.12)
Total increase (decrease) from operations ⁽²⁾	(0.28)	(0.10)	0.29	0.22	0.05	(0.02)
Distributions:						
From net investment income (excluding dividends)	(0.03)	(0.04)	(0.18)	(0.11)	(0.10)	(0.09)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.22)	-	(0.01)	-	(0.01)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.03)	(0.26)	(0.18)	(0.12)	(0.10)	(0.10)
Net assets, end of period	9.65	9.97	10.13	9.93	9.82	9.86

Series F	June 30 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period	9.61	9.82	9.68	9.61	9.71	9.88
Increase (decrease) from operations:						
Total revenue	0.10	0.18	0.23	0.24	0.24	0.23
Total expenses	(0.04)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Realized gains (losses) for the period	(0.05)	0.02	0.02	(0.02)	(0.04)	(0.01)
Unrealized gains (losses) for the period	(0.26)	(0.17)	0.16	0.13	(0.03)	(0.13)
Total increase (decrease) from operations ⁽²⁾	(0.25)	(0.04)	0.34	0.28	0.10	0.02
Distributions:						
From net investment income (excluding dividends)	(0.07)	(0.14)	(0.27)	(0.20)	(0.20)	(0.20)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.21)	-	(0.01)	-	(0.01)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.07)	(0.35)	(0.27)	(0.21)	(0.20)	(0.21)
Net assets, end of period	9.29	9.61	9.82	9.68	9.61	9.71



Financial Highlights (continued)

Series I⁽⁴⁾	June 30 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	9.64	9.85	9.77	9.76	9.92	10.00
Increase from operations:						
Total revenue	0.09	0.18	0.23	0.20	0.22	0.09
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the period	(0.05)	0.01	0.03	(0.03)	(0.03)	(0.01)
Unrealized gains (losses) for the period	(0.25)	(0.21)	0.14	0.17	0.02	(0.08)
Total increase from operations⁽²⁾	(0.21)	(0.02)	0.40	0.34	0.21	-
Distributions:						
From net investment income (excluding dividends)	(0.12)	(0.24)	(0.38)	(0.34)	(0.32)	(0.14)
From dividends	-	-	-	-	-	-
From capital gains	-	(0.21)	-	(0.01)	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions⁽³⁾	(0.12)	(0.45)	(0.38)	(0.35)	(0.32)	(0.14)
Net assets, end of period	9.31	9.64	9.85	9.77	9.76	9.92

(1) This information is derived from the Pool's audited annual financial statements and from the interim unaudited financial statements for the current period ended June 30, 2022.

(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

Series A	June 30 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$29,919	\$33,569	\$37,456	\$25,847	\$23,792	\$28,808
Number of units outstanding (000's) ⁽¹⁾	3,100	3,367	3,699	2,603	2,423	2,921
Management expense ratio ⁽²⁾	1.38%	1.38%	1.38%	1.38%	1.35%	1.35%
Management expense ratio before waivers or absorptions	1.52%	1.51%	1.53%	1.66%	1.63%	1.51%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	17.47%	54.13%	31.78%	53.31%	39.56%	53.75%
Net asset value per unit ⁽¹⁾	\$9.65	\$9.97	\$10.13	\$9.93	\$9.82	\$9.86

Series F	June 30 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$24,976	\$30,339	\$21,743	\$13,451	\$15,039	\$14,406
Number of units outstanding (000's) ⁽¹⁾	2,687	3,156	2,215	1,390	1,565	1,483
Management expense ratio ⁽²⁾	0.88%	0.88%	0.88%	0.88%	0.85%	0.85%
Management expense ratio before waivers or absorptions	0.99%	0.98%	1.00%	1.14%	0.59%	0.98%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	17.47%	54.13%	31.78%	53.31%	39.56%	53.75%
Net asset value per unit ⁽¹⁾	\$9.29	\$9.61	\$9.82	\$9.68	\$9.61	\$9.71

Series I	June 30 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$1,431	\$2,219	\$1,389	\$264	\$2,072	-
Number of units outstanding (000's) ⁽¹⁾	154	230	141	27	212	-
Management expense ratio ⁽²⁾	0.13%	0.13%	0.13%	0.13%	0.10%	0.00%
Management expense ratio before waivers or absorptions	0.47%	0.45%	0.46%	0.61%	0.65%	0.00%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	17.47%	54.13%	31.78%	53.31%	39.56%	53.75%
Net asset value per unit ⁽¹⁾	\$9.31	\$9.64	\$9.85	\$9.77	\$9.76	\$9.92

(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

Value Partners Group Inc. (VPGI) owns 100% of Value Partners Investments Inc. (VPI) and LP Financial Planning Services Ltd. (LP Financial), a mutual fund dealer and principal distributor of the Pool. VPGI is 40.2% owned by Longton Ltd., whose shareholders include specified members of the Lawton family, including Paul and Sean Lawton. Paul Lawton is an officer of VPGI as well as a director and officer of both VPI and LP Financial. Sean Lawton is a director and sales representative of LP Financial.

As of June 30, 2022, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 19.6% and Class C1 shares representing 3.7% of the common equity of VPGI. The remaining common equity of VPGI was held by sales representatives of other dealer firms and employees of VPGI, VPI and LP Financial. No other sales representative held more than 5 percent of the common equity of VPGI. Additional information regarding equity interests may be obtained from the Pool's annual information form or from the Manager's website at <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.