



**VALUE  
PARTNERS**  
INVESTMENTS

# **VPI GLOBAL EQUITY POOL**

**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

SIX-MONTH PERIODS ENDED JUNE 30, 2024 AND 2023

**MANAGER**

VALUE PARTNERS INVESTMENTS INC.

**PORTFOLIO MANAGER**

VALUE PARTNERS INVESTMENTS INC.

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Value Partners Investments Inc., the Manager of the Pools, appoints independent auditors to audit the Pool's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The Pool's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants Canada.

# VPI GLOBAL EQUITY POOL

Statements of Financial Position

(In thousands of dollars and units, except for per unit amounts)

June 30, 2024 and December 31, 2023 (unaudited)

As at	June 30, 2024	December 31, 2023
<b>Assets</b>		
Financial assets at fair value through profit or loss (note 8)	\$ 299,754	\$ 272,910
Cash and cash equivalents	29,479	14,967
Long options contracts	126	243
Accrued dividends receivable	273	189
Subscriptions receivable	335	181
Due from Manager (note 5)	1	1
	<b>\$ 329,968</b>	<b>\$ 288,491</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 66	\$ 82
Redemptions payable	143	108
Short options contracts	–	194
Management fees payable (notes 4 and 5)	300	284
Unrealized loss on foreign currency forward contracts	–	177
	<b>509</b>	<b>845</b>
Net assets attributable to holders of redeemable units	<b>\$ 329,459</b>	<b>\$ 287,646</b>
Net assets attributable to holders of redeemable units per series:		
Series A	\$ 184,109	\$ 169,303
Series F	43,350	37,377
Series I	76,099	69,604
Series O	25,901	11,362
Net assets attributable to holders of redeemable units per unit:		
Series A	13.64	13.23
Series F	12.44	12.00
Series I	10.99	10.54
Series O	13.16	12.64
Number of redeemable units outstanding:		
Series A	13,493	12,801
Series F	3,486	3,116
Series I	6,925	6,602
Series O	1,969	899

The accompanying notes form an integral part of these financial statements.

# VPI GLOBAL EQUITY POOL

Statements of Comprehensive Income  
(In thousands of dollars, except for per unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

	2024	2023
<b>Income:</b>		
Interest income for distribution purposes	\$ 461	\$ 373
Dividend income	4,872	3,846
Foreign exchange loss on cash	(57)	(339)
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on sale of investments	9,772	3,166
Net realized gain (loss) on foreign currency forward contracts	173	(159)
Net realized loss on options contracts	(189)	(985)
Change in unrealized appreciation (depreciation) in value of investments	(1,683)	23,997
Change in unrealized depreciation on options contracts	(95)	(148)
Change in unrealized appreciation on foreign currency forward contracts	177	—
	<u>13,431</u>	<u>29,751</u>
<b>Expenses:</b>		
Administration	98	76
Audit fees	13	8
Independent review committee fees	2	6
Security holder reporting costs	98	85
Custodian fees	46	33
Filing fees	11	11
Interest expense	2	1
Legal fees	3	3
Management fees (notes 4 and 5)	1,910	1,540
Registered plan fees	3	3
Trustee fees	4	3
Withholding taxes	844	626
Transaction costs	158	53
	<u>3,192</u>	<u>2,448</u>
Absorbed expenses (notes 4 and 5)	(72)	(58)
	<u>3,120</u>	<u>2,390</u>
Increase in net assets attributable to holders of redeemable units	\$ 10,311	\$ 27,361
<b>Increase in net assets attributable to holders of redeemable units per series:</b>		
Series A	\$ 5,378	\$ 16,070
Series F	1,392	3,692
Series I	2,987	7,449
Series O	554	150
<b>Increase in net assets attributable to holders of redeemable units per unit:</b>		
Series A	\$ 0.41	\$ 1.36
Series F	0.42	1.29
Series I	0.44	1.18
Series O	0.43	0.77

The accompanying notes form an integral part of these financial statements.

# VPI GLOBAL EQUITY POOL

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units  
(In thousands of dollars and units)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

	Series A		Series F		Series I		Series O		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net assets attributable to holders of redeemable units, beginning of period	\$ 169,303	\$ 132,312	\$ 37,377	\$ 28,993	\$ 69,604	\$ 55,121	\$ 11,362	\$ 69	\$ 287,646	\$ 216,495
Increase in net assets attributable to holders of redeemable units per series	5,378	16,070	1,392	3,692	2,987	7,449	554	150	10,311	27,361
Redeemable unit transactions:										
Proceeds from redeemable units issued	18,929	13,096	9,325	3,057	7,162	6,925	15,161	5,149	50,577	28,227
Reinvestment of distributions to holders of redeemable units	288	225	46	37	–	–	–	–	334	262
Redemption of redeemable units	(9,789)	(7,653)	(4,790)	(2,242)	(3,654)	(3,213)	(1,176)	(221)	(19,409)	(13,329)
	9,428	5,668	4,581	852	3,508	3,712	13,985	4,928	31,502	15,160
Net increase in net assets attributable to holders of redeemable units	14,806	21,738	5,973	4,544	6,495	11,161	14,539	5,078	41,813	42,521
Net assets attributable to holders of redeemable units, end of period	\$ 184,109	\$ 154,050	\$ 43,350	\$ 33,537	\$ 76,099	\$ 66,282	\$ 25,901	\$ 5,147	\$ 329,459	\$ 259,016
Increase (decrease) in redeemable units outstanding:										
Beginning of period	12,801	11,621	3,116	2,809	6,602	6,085	899	6	23,418	20,521
Issued	1,393	1,052	757	273	658	702	1,161	432	3,969	2,459
Issued on reinvestment of distributions	21	18	4	3	–	–	–	–	25	21
Redeemed	(722)	(616)	(391)	(199)	(335)	(324)	(91)	(19)	(1,539)	(1,158)
Redeemable units outstanding, end of period	13,493	12,075	3,486	2,886	6,925	6,463	1,969	419	25,873	21,843
Weighted average units outstanding, during the period	13,236	11,812	3,354	2,856	6,725	6,288	1,290	194		

The accompanying notes form an integral part of these financial statements.

# VPI GLOBAL EQUITY POOL

Statements of Cash Flows  
(In thousands of dollars)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

	2024	2023
Cash flows from (used in) operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 10,311	\$ 27,361
Adjustments for:		
Foreign exchange loss on cash	57	339
Net realized gain on sale of investments	(9,772)	(3,166)
Net realized loss on options contracts	189	985
Transaction costs	158	53
Change in unrealized depreciation (appreciation) in value of investments	1,683	(23,997)
Change in unrealized appreciation on options contracts	95	148
Change in unrealized appreciation on foreign currency forward contracts	(177)	–
Purchases of investments	(64,679)	(23,224)
Proceeds from sale of investments	45,405	12,575
Accrued dividends receivable	(84)	38
Due from Manager	–	(4)
Management fees payable	16	32
Accounts payable and accrued liabilities	(16)	(12)
Net cash used in operating activities	(16,814)	(8,872)
Cash flows from financing activities:		
Distributions paid to holders of redeemable units, net of reinvested distributions	334	262
Proceeds from redeemable units issued	48,581	27,642
Redemption of redeemable units	(17,532)	(12,188)
Net cash from financing activities	31,383	15,716
Foreign exchange loss on cash	(57)	(339)
Net increase in cash and cash equivalents	14,512	6,505
Cash and cash equivalents, beginning of period	14,967	18,172
Cash and cash equivalents, end of period	\$ 29,479	\$ 24,677
Supplementary information:		
Dividends received, net of withholding tax	\$ 3,944	\$ 3,258
Interest received	461	373

The accompanying notes form an integral part of these financial statements.

# VPI GLOBAL EQUITY POOL

Schedule of Investment Portfolio

(In thousands of dollars, except for unit amounts)

June 30, 2024 (unaudited)

Number of units or shares	Description	Average cost	Fair value	% of net assets
<b>Equities:</b>				
<b>Automobiles and Components:</b>				
380,000	Denso Corp.	\$ 8,023	\$ 8,075	2.45
<b>Banks:</b>				
12,500,000	Bank Central Asia Tbk PT	7,993	10,367	
146,000	HDFC Bank Ltd.	11,222	12,852	
		19,215	23,219	7.05
<b>Capital Goods:</b>				
160,000	ITOCHU Corp.	6,472	10,690	
216,000	Komatsu Ltd.	6,657	8,582	
77,500	Siemens AG ADR	7,222	9,889	
67,000	Vinci S.A.	9,335	9,667	
		29,686	38,828	11.79
<b>Consumer Durables and Apparel:</b>				
44,000	LVMH Moet Hennessy Louis Vuitton SE ADR	7,739	9,233	
88,000	Sony Group Corp.	12,318	10,210	
		20,057	19,443	5.90
<b>Consumer Services:</b>				
70,000	Evolution AB	11,603	9,985	
200,000	Yum China Holdings Inc.	11,908	8,440	
		23,511	18,425	5.59
<b>Energy:</b>				
126,000	Total Energies SE	8,933	11,496	3.49
<b>Financial Services:</b>				
72,000	London Stock Exchange Group PLC	8,774	11,707	
258,000	UBS Group AG	5,244	10,429	
		14,018	22,136	6.72
<b>Food, Beverage and Tobacco:</b>				
68,000	Fomento Economico Mexicano ADR	6,905	10,017	
62,000	Nestle S.A.	10,513	8,659	
		17,418	18,676	5.67
<b>Health Care Equipment and Services:</b>				
85,000	Medtronic PLC	10,934	9,155	
490,000	Olympus Corp	11,866	10,810	
355,700	Sonic Healthcare Ltd	12,398	8,549	
		35,198	28,514	8.65

# VPI GLOBAL EQUITY POOL

Schedule of Investment Portfolio (continued)  
(In thousands of dollars, except for unit amounts)

June 30, 2024 (unaudited)

Number of units or shares	Description	Average cost	Fair value	% of net assets
<b>Insurance:</b>				
1,140,000	AIA Group Ltd.	\$ 14,031	\$ 10,589	3.21
<b>Materials:</b>				
30,800	Air Liquide S.A. ADR	5,474	7,285	
170,000	Shin-Etsu Chemical Co., Ltd.	10,184	9,021	
		15,658	16,306	4.95
<b>Media and Entertainment:</b>				
140,000	Nintendo Co., Ltd.	8,998	10,189	3.09
<b>Pharmaceuticals, Biotechnology and Life Sciences:</b>				
60,000	Novartis AG	5,957	8,787	2.67
<b>Semiconductors and Semiconductor Equipment:</b>				
8,000	ASML Holding NV	7,554	11,312	
325,000	Taiwan Semiconductor Manufacturing Co., Ltd. ADR	12,288	13,241	
		19,842	24,553	7.45
<b>Software and Services:</b>				
38,500	SAP SE ADR	6,391	10,626	3.23
<b>Technology Hardware and Equipment:</b>				
123,000	Samsung Electronics Co., Ltd.	10,321	9,965	3.02
<b>Telecommunication Services:</b>				
288,000	Deutsche Telekom AG ADR	7,122	9,927	3.01
<b>Utilities:</b>				
1,050,000	Enel SpA	10,625	10,000	3.04
Total equities		275,004	299,754	90.98
Transaction costs		(481)		
Total financial assets at FVTPL		274,523	299,754	90.98
<b>Cash:</b>				
Domestic		19,195	19,195	
Foreign		10,284	10,284	
Total cash		29,479	29,479	8.95
Options contracts			126	0.04
Other assets less liabilities			100	0.03
Total net assets attributable to holders of redeemable units			\$ 329,459	100.00

The accompanying notes form an integral part of these financial statements.

# VPI GLOBAL EQUITY POOL

Schedule of Investment Portfolio (continued)  
(In thousands of dollars, except for unit amounts)

June 30, 2024 (unaudited)

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## Schedule of Options Contracts

The Pool has the following options contracts outstanding as at June 30, 2024:

Long Options Contracts

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Underlying interest	Number of options	Option type	Expiration date	Strike price (USD)	Premium paid (\$)	Fair value (\$)
SPDR S&P 500 ETF TRUST@525	500	Put	19-Jul-24	\$ 525	\$ 100	\$ 63
SPDR S&P 500 ETF TRUST@525	500	Put	19-Jul-24	525	100	63
					200	126

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# VPI GLOBAL EQUITY POOL

Notes to Financial Statements

(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 1. Reporting entity:

- (a) VPI Global Equity Pool (the Pool) is an open-ended mutual fund trust, established on September 26, 2005 by declaration of trust under the laws of the Province of Ontario. As of March 2017, the registered office of the Pool is located at 300-175 Hargrave St., Winnipeg, Manitoba. The trustee of the Pool is RBC Investor Services Trust and the Manager of the Pool is Value Partners Investments Inc. (VPI or the Manager).

The Pool commenced operations on October 20, 2005 with one series of units: Series A. On July 3, 2007, the Pool began offering Series F units. On July 5, 2017, the Pool began offering Series O units and effective June 15, 2022 were renamed as Series I units. Effective June 28, 2022, Series O units of the Pool were qualified for distribution. Effective June 27, 2024, Series P units of the Pool were qualified for distribution.

The 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.

On September 8, 2023, Great-West Lifeco Inc. ("Lifeco") and a wholly owned subsidiary of The Canada Life Assurance Company, 14894821 Canada Inc. ("Newco") acquired all the issued and outstanding shares of Value Partners Group Inc. ("VPGI"), the parent company of the Manager, from the previous shareholders of VPGI ("the acquisition"). As a result of the acquisition, there was a change in control of the Manager of the Pool.

- (b) Redeemable units issued and outstanding are considered to be capital of the Pool. The Pool's authorized capital consists of an unlimited number of units and series without par value. The number of outstanding units of each series is disclosed in the statements of financial position.

Series A units are subject to a negotiated sales commission payable by the investor at the time of purchase. Series F units are only available to investors that have a fee-based account with a dealer that has signed a Series F agreement with the Manager. 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.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 1. Reporting entity (continued):

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 are available to investors who have entered into a discretionary investment management account with the Manager. Series P units are available to investors who have a discretionary investment management account with a dealer who has signed a Series P agreement with the Manager.

Except for Series I units, each series of units pays its proportionate share of common expenses of the Pool, in addition to expenses that are unique to that series. Proportionate fund expenses for Series I, both common fund expenses, as well as expenses unique to Series I, are paid by the Manager. Distributions of each series may vary due to the differences in expenses between the series.

- (c) Unitholders may redeem all or part of their units by delivering a written request to do so to the Manager or Trustee or to an investment dealer, securities dealer or mutual fund dealer for delivery to the Manager or Trustee. Units will be redeemed at the net asset value per unit as determined on the next valuation date. Requests for redemption received after 4:00 p.m., Toronto time, on any day are deemed to be received on the first business day following the date of the actual receipt.

## 2. Basis of preparation:

These financial statements have been prepared in compliance with IFRS Accounting Standards (IFRS).

The financial statements were authorized for issue by the Manager on behalf of the board of directors on August 16, 2024.

### (a) Basis of measurement:

The financial statements have been prepared on an historical cost basis except for investments at fair value through profit or loss, which are measured at fair value.

### (b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Pool's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 2. Basis of preparation (continued):

### (c) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant judgments made by the Manager in preparing these financial statements is in determining the fair value of financial instruments not traded in an active market, if any, under IFRS 13 - *Fair Value Measurement* (IFRS 13).

## 3. Material accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### (a) Financial instruments:

#### (i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: fair value through profit or loss (FVTPL), amortized cost or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition.

Assessment and decision on the business model approach used is an accounting judgement.

All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case transaction costs are expensed as incurred.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 3. Material accounting policies (continued):

### (a) Financial instruments (continued):

#### (i) Classification and measurement (continued):

Financial instruments held-for trading or at FVTPL are recognized initially on the trade date, which is the date on which the Pool becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Pool derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position only when the Pool has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

At June 30, 2024 and December 31, 2023, no amounts have been offset in the statements of financial position.

#### (ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statements of comprehensive income in the period in which they occur. The Pool has classified its investments in securities, derivative financial assets and derivative financial liabilities as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Pool uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Pool's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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### 3. Material accounting policies (continued):

#### (a) Financial instruments (continued):

##### (ii) FVTPL (continued)

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs.

Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

The Pool's accounting policies for measuring the fair value of investments are consistent with those used for measuring its net asset value for transactions with unitholders.

##### (iii) Amortized cost:

Financial instruments classified under amortized cost include financial assets that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and financial liabilities not classified as FVTPL. Such financial assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of these financial assets and financial liabilities is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Pool classifies cash, accrued dividends receivable, subscriptions receivable, due from Manager, accounts payable and accrued liabilities, redemptions payable and management fees payable as amortized cost. Cash includes cash on deposit with the custodian.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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### 3. Material accounting policies (continued):

(a) Financial instruments (continued):

(iv) Impairment:

For financial assets measured at amortized cost, the Pool uses an expected credit loss (ECL) impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

The Pool measures the loss allowance at an amount equal to lifetime ECL for trade and other receivables. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of the trade and other receivables. ECL's are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Pool in accordance with the contract and the cash flows that the Pool expects to receive). ECL's are discounted at the effective interest rate of the financial asset.

(v) Foreign currency forward contracts:

The value of a foreign currency forward contract is the gain or loss that would be realized if, on the date that valuation is made, the positions were closed out. It is reflected in the statements of financial position as part of "foreign currency forward contracts" and the change in value over the period is reflected in the statements of comprehensive income as part of "change in unrealized appreciation (depreciation) in foreign currency forward contracts". When the foreign currency forward contracts are closed out, gains and losses are realized and are included in the "net realized gain (loss) on foreign currency forward contracts" in the statements of comprehensive income.

(b) Redeemable units:

The Pool classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Pool has multiple classes of redeemable units that do not have identical features and therefore, does not qualify as equity under International Accounting Standard (IAS) 32, *Financial Instruments - presentation* (IAS 32). The redeemable units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Pool's valuation policies at each redemption date.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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### 3. Material accounting policies (continued):

(c) Foreign currency:

The Pool's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss) on cash' and those relating to other financial assets and liabilities are presented within 'Net realized gain' and 'Change in unrealized appreciation (depreciation)' in the statements of comprehensive income.

(d) Investment transactions and revenue recognition:

Interest income for distribution purposes from investments in bonds and short-term investments represents the coupon interest received by the Pool accounted for on an accrual basis. The Pool does not use the effective interest method to amortize premiums paid or discounts received on the purchase of fixed-income securities. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(e) Increase (decrease) in net assets attributable to holders of redeemable units, per unit:

Increase (decrease) in net assets attributable to holders of redeemable units, per unit in the statements of comprehensive income represents the net increase (decrease) in the net assets from operations for each series for the period divided by the weighted average units outstanding for each series for the period.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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### 3. Material accounting policies (continued):

(f) Income taxes:

The Pool qualifies as a Mutual Fund Trust as defined in the *Income Tax Act* (Canada). Pursuant to the terms of the Declaration of Trust establishing the Pool, it is considered to distribute annually to the unitholders all of the net taxable income, including net realized gains on sale of investments, and such distributions are immediately reinvested in units of the Pool.

In general, the Pool is subject to income tax, however no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. In addition, income taxes payable on net realized capital gains is refundable on a formula basis when units of the Pool are redeemed.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Any non-capital losses that are realized in the taxation year 2006 and after may be carried forward for 20 years and applied against future income and capital gains.

### 4. Management fees and expenses:

Except for Series I, Series O and Series P units, the Manager of each series of units is entitled to a monthly management fee from the Pool based on a percentage of the net asset value of each series of units as of the close of business on each business day calculated at the following annual rates:

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Series A	1.80%
Series F	0.90%

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The Manager offers a management fee reduction program to qualified investors in Series A and Series F units. If the unitholder qualifies under this program, the management fee charged to the Pool is reduced and the Pool distributes the amount of the reduction to the investor by way of a management fee distribution. Management fee distributions are automatically reinvested in additional units of a particular series of the Pool unless negotiated otherwise with the Manager. No management fee is charged to the Pool with respect to Series I and Series P units. For Series I units, each investor negotiates a separate fee that is paid directly to the Manager. For Series P units, the dealer pays a fee directly to the Manager on behalf of its discretionary investment management accounts. Series O units of the Pool pay a portfolio management fee based on a percentage of the net asset value of Series O units as of the close of business on each business day calculated at a rate of 0.20% annually.



# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 4. Management fees and expenses (continued):

Except for Series I units, in addition to the management fee, each series of units pays its proportionate share of common operating expenses of the Pool, in addition to expenses that are unique to that series. These expenses include, but are not limited to audit, legal and filing fees, custodial, recordkeeping and trustee fees, transfer agent fees, investor servicing costs, taxes, compensation and expenses of the Independent Review Committee, and costs of unitholder reports, financial reporting, prospectuses, regulatory filings, and other communications. Brokerage commissions and transaction costs for buying and selling investments for the Pool's portfolio are also paid by the Pool, as well as the costs and expenses related to holding any meeting convened by unitholders. The Manager may, at its own discretion, absorb a portion of the operating expenses of Series A, Series F or Series O units from time to time.

Proportionate fund expenses for Series I units, both common fund expenses, as well as expenses unique to Series I, are fully absorbed by the Manager.

The Manager absorbed a portion of the operating expenses (note 5) of the Pool during the Six-month periods ended June 30, 2024 and December 31, 2023.

## 5. Related party transactions:

Related party balances of the Pool as at June 30, 2024 and December 31, 2023 is as follows:

	2024		2023	
Management fees payable	\$	300	\$	284
Due from Manager		1		1

Related party transactions of the Pool for the six-month periods ended June 30, 2024 and 2023 is as follows:

	2024		2023	
Management fees	\$	1,910	\$	1,540
Absorbed expenses		(72)		(58)

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 5. Related party transactions (continued):

As of June 30, 2024 and December 31, 2023, the Manager or parent company of the Manager held the following number of units in the Pool:

	2024	2023
Series O	1	1

## 6. Brokerage commissions:

Commissions paid to brokers for portfolio transactions for the six-month periods ended June 30, 2024 and 2023 is disclosed in the statements of comprehensive income.

There were \$34 of soft dollar commissions paid during the period ended June 30, 2024 (2023 - \$9).

## 7. Income taxes:

As of December 31, 2023 and 2022, there are no non-capital losses available for carry forward.

Capital losses available for carry forward as of December 31, 2023 and 2022 are as follows:

	2023	2022
Capital losses	\$ 19,927	\$ 22,853

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 8. Financial risk management:

The investment activities of the Pool expose the Pool to various types of financial risks. The Manager seeks to minimize potential adverse effects of these risks on the Pool by contracting a professional, experienced portfolio manager, by monitoring the Pool and market events on a daily basis, and by diversifying the investment portfolio within the parameters of the investment objective and strategy.

The most significant risks include market risk (other price risk, interest rate risk and currency risk), credit risk and liquidity risk. These risks and related risk management practices employed by the Pool are discussed below:

(i) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The maximum risk resulting from financial instruments held by the Pool is determined by the fair value of the financial instruments. The portfolio manager moderates this risk through a careful selection of securities within specified parameters established for the Pool.

For the Pool, the most significant exposure to other price risk arises from investments in equity securities. The following table shows the exposure of the Pool to equity securities and indicates the impact on net assets if the prices of the equity securities on the respective stock exchanges increased or decreased by 5 percent, with all other variables held constant.

	Fair value of equities	% of net assets	Impact on net assets (\$)	Impact on net assets (%)
As at June 30, 2024	\$ 299,754	90.98%	\$ 14,988	4.55%
As at December 31, 2023	\$ 272,910	94.88%	\$ 13,646	4.74%

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In the case of written call or put options, the maximum loss to the fund increases, theoretically without limited, as the fair value of the underlying security increases (decreases).

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 8. Financial risk management (continued):

### (ii) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments such as bonds. The majority of the Pool's financial assets and liabilities are non-interest bearing. As a result, the Pool is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

### (iii) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Pool.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Pool may enter into foreign currency forward contracts to buy and sell currencies for the purpose of settling foreign securities transactions. These are short-term spot settlements carried out with counterparties with a credit rating of at least "A." The exposure to credit risk on these contracts is considered minimal as there are few contracts outstanding at any one time and the transactions are settled and paid for upon delivery.

As at June 30, 2024 and December 31, 2023, the Pool had no significant investments in debt instruments.

### (iv) Liquidity risk:

The Pool is exposed to liquidity risk to the extent that it is subject to daily cash redemptions of redeemable units. Therefore, the Pool invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Pool retains sufficient cash positions to maintain liquidity.

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 8. Financial risk management (continued):

### (v) Currency risk:

The Pool uses the Canadian dollar as its functional and reporting currency. Currency risk is the risk that the value of monetary assets and liabilities denominated in currencies other than the Canadian dollar (the functional currency of the Pool), will fluctuate due to changes in exchange rates.

The foreign currencies to which the Pool was exposed at June 30, 2024 and December 31, 2023 are included in following tables.

The following tables illustrate the potential impact to the Pool's net assets, all other variables held constant, as a result of a 5 percent change in these currencies relative to the Canadian dollar and include the underlying principal of foreign current forward contracts, if any.

As at June 30, 2024	Foreign currencies (\$)	Foreign currency derivatives	Net exposure	Impact on net assets (\$)	Impact on net assets (%)
United States dollar	\$ 105,392	\$ 126	\$ 105,518	\$ 5,276	1.60%
Euro	38,593	—	38,593	1,930	0.59%
Japanese yen	68,169	—	68,169	3,408	1.03%
British pound	17,293	—	17,293	865	0.26%
Australia dollar	8,621	—	8,621	431	0.13%
Hong Kong dollar	10,847	—	10,847	542	0.16%
Swiss franc	17,795	—	17,795	890	0.27%
Korean won	9,965	—	9,965	498	0.15%
Indonesian rupiah	10,367	—	10,367	518	0.16%
Swedish Krona	9,989	—	9,989	499	0.15%
New Taiwan Dollar	13,280	—	13,280	664	0.20%
	\$ 310,311	\$ 126	\$ 310,437	\$ 15,521	4.71%

As at December 31, 2023	Foreign currencies (\$)	Foreign currency derivatives	Net exposure	Impact on net assets (\$)	Impact on net assets (%)
United States dollar	\$ 107,386	\$ —	\$ 107,386	\$ 5,369	1.87%
Euro	34,611	—	34,611	1,731	0.60%
Japanese yen	51,215	—	51,215	2,561	0.89%
British pound	17,940	—	17,940	897	0.31%
Australia dollar	8,672	—	8,672	434	0.15%
Hong Kong dollar	10,354	—	10,354	518	0.18%
Swiss franc	25,649	(15,064)	10,585	529	0.18%
Korean won	9,886	—	9,886	494	0.17%
Indonesian rupiah	10,465	—	10,465	523	0.18%
	\$ 276,178	\$ (15,064)	\$ 261,114	\$ 13,056	4.53%

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 8. Financial risk management (continued):

(vi) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The market segments are represented as a percentage of financial assets at FVTPL. The following is a summary of the Pool's concentration risk:

Market segment	June 30,	December 31,
Long	2024	2023
	%	%
Automobiles and components	2.69	3.32
Banks	7.75	7.47
Capital goods	12.96	12.44
Consumer durables and apparel	6.49	6.81
Consumer services	6.15	3.49
Energy	3.84	4.10
Financial Services	7.38	7.59
Food, beverage and tobacco	6.23	6.71
Health care equipment and services	9.51	9.15
Household and personal products	—	2.84
Insurance	3.53	3.79
Materials	5.44	5.85
Media and entertainment	3.40	3.40
Pharmaceuticals, biotechnology and life sciences	2.93	2.92
Semiconductors and semiconductor equipment	8.19	6.43
Software and services	3.54	3.47
Technology hardware equipment	3.32	3.62
Telecommunication services	3.31	3.01
Utilities	3.34	3.59
	100.00	100.00

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 8. Financial risk management (continued):

(vii) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where the Pool has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. The Pools has not offset any financial assets and financial liabilities in the statements of financial position.

The disclosures set out in the tables below include financial assets and liabilities that are subject to master netting arrangements or similar agreement, including derivative clearing agreements, that covers similar financial instruments as at June 30, 2024 and December 31, 2023:

As at June 30, 2024:

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts - assets	\$ -	\$ -	\$ -	\$ -	\$ -

As at December 31, 2023:

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position		Net amount
			Financial instruments	Cash collateral pledged	
Foreign exchange forward contracts - assets	\$ (177)	\$ (177)	\$ (177)	\$ -	\$ (177)

# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

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## 8. Financial risk management (continued):

(viii) Other risk:

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, war and related geopolitical risks, and may impair the portfolio manager's ability to carry out the objectives of the Pool or cause the Pools to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

## 9. Fair value disclosure:

(i) Valuation models:

The Pool's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy.

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pool's financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements.

The Pool classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.



# VPI GLOBAL EQUITY POOL

Notes to Financial Statements (continued)  
(In thousands of dollars, except for unit amounts)

For the six-month periods ended June 30, 2024 and 2023 (unaudited)

## 9. Fair value disclosure (continued):

### (i) Valuation models (continued):

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Changes in valuation methods may result in transfers into, or out of, a financial instrument's assigned level.

### (ii) Fair value hierarchy - financial instruments measured at fair value:

The following tables present information about the Pool's assets which are recorded at fair value on a recurring basis as of June 30, 2024 and December 31, 2023:

June 30, 2024	Level 1	Level 2	Level 3	Total
Equities - long	\$ 299,754	\$ –	\$ –	\$ 299,754
Long options contracts	126	–	–	126
	\$ 299,880	\$ –	\$ –	\$ 299,880

December 31, 2023	Level 1	Level 2	Level 3	Total
Equities - long	\$ 272,910	\$ –	\$ –	\$ 272,910
Forward contracts	–	(177)	–	(177)
Long options contracts	243	–	–	243
Short options contracts	(194)	–	–	(194)
	\$ 272,959	\$ (177)	\$ –	\$ 272,782

During the six-month period ended June 30, 2024 and the year ended December 31, 2023, there were no transfers between levels. The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.