



**VALUE  
PARTNERS**  
INVESTMENTS

# **VPI CANADIAN BALANCED POOL**

## **ANNUAL FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2024 AND 2023

### **MANAGER**

VALUE PARTNERS INVESTMENTS INC.

### **PORTFOLIO MANAGER**

DIXON MITCHELL INVESTMENT COUNSEL INC.

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

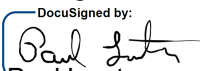
The accompanying financial statements have been prepared by the management of Value Partners Investments Inc. (Value Partners), the Manager of the Value Partners Pools (the Pools), and approved by the Board of Directors of Value Partners.

Management is responsible for the information and representations contained in these financial statements. The Board of Directors of Value Partners is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Board of Directors will also review the adequacy of internal controls, the audit process and financial reporting with management and the external auditor.

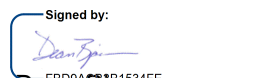
Value Partners maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The material accounting policies which management believes are appropriate for the Pools, are described in note 3 of the financial statements.

KPMG LLP is the external auditor of the Pools. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out below.

On behalf of Value Partners Investments Inc.  
Manager of the Pools

DocuSigned by:  
  
Paul Lawton

Chief Operating Officer and Secretary

Signed by:  
  
Dean Bjarnarson  
Chief Financial Officer

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## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of VPI Canadian Balanced Pool

### *Opinion*

We have audited the financial statements of VPI Canadian Balanced Pool (the Entity), which comprise:

- the statements of financial position as at December 31, 2024 and December 31, 2023
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information (herein after referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

## ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature, there is a horizontal line that starts under the "K" and extends to the right, ending under the "P".

Chartered Professional Accountants

Winnipeg, Canada

March 13, 2025

# VPI CANADIAN BALANCED POOL

Statements of Financial Position

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

As at	December 31, 2024	December 31, 2023
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## Assets

Financial assets at fair value through profit or loss (note 8)	\$ 1,384,116	\$ 1,085,325
Cash and cash equivalents	5,676	12,218
Accrued dividends receivable	983	1,192
Accrued interest receivable for distribution purposes	1,940	1,366
Subscriptions receivable	1,044	938
	<hr/>	<hr/>
	\$ 1,393,759	\$ 1,101,039

## Liabilities

Accounts payable and accrued liabilities	\$ 418	\$ 126
Redemptions payable	515	196
Management fees payable (notes 4 and 5)	2,103	1,475
	<hr/>	<hr/>
	3,036	1,797

Net assets attributable to holders of redeemable units	\$ 1,390,723	\$ 1,099,242
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### Net assets attributable to holders of redeemable units per series:

Series A	\$ 1,137,548	\$ 910,261
Series F	211,393	162,074
Series I	30,686	23,807
Series O	11,096	3,100

### Net assets attributable to holders of redeemable units per unit:

Series A	\$ 25.66	\$ 22.24
Series F	26.60	23.03
Series I	19.78	17.10
Series O	14.19	12.27
Series P (note 1)	10.89	–

### Number of redeemable units outstanding:

Series A	44,339	40,932
Series F	7,947	7,038
Series I	1,552	1,392
Series O	782	253

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

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

	2024	2023
Investment income:		
Interest income for distribution purposes	\$ 11,782	\$ 8,357
Dividend income	14,258	14,307
Foreign exchange loss on cash	(36)	(59)
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	43,846	32,307
Change in unrealized appreciation in value of investments	133,409	105,251
	<u>203,259</u>	<u>160,163</u>
Expenses:		
Administration	257	203
Audit fees	20	15
Independent review committee fees	7	8
Security holder reporting costs	451	369
Custodian fees	54	42
Filing fees	45	30
Legal fees	10	5
Management fees (notes 4 and 5)	21,444	16,841
Registered plan fees	20	17
Trustee fees	7	5
Withholding taxes	575	504
Transaction costs	78	58
	<u>22,968</u>	<u>18,097</u>
Absorbed expenses (notes 4 and 5)	<u>(18)</u>	<u>(16)</u>
	<u>22,950</u>	<u>18,081</u>
Increase in net assets attributable to holders of redeemable units	\$ 180,309	\$ 142,082
Increase in net assets attributable to holders of redeemable units per series:		
Series A	\$ 146,082	\$ 116,100
Series F	29,102	22,269
Series I	4,222	3,604
Series O	903	109
Increase in net assets attributable to holders of redeemable units per unit:		
Series A	\$ 3.42	\$ 2.95
Series F	3.79	3.30
Series I	3.01	2.60
Series O	2.17	2.79

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

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

	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 year	\$ 910,261	\$ 742,702	\$ 162,074	\$ 132,693	\$ 23,807	\$ 21,044	\$ 3,100	\$ –	\$ 1,099,242	\$ 896,439
Increase in net assets attributable to holders of redeemable units per series	146,082	116,100	29,102	22,269	4,222	3,604	903	109	180,309	142,082
Redeemable unit transactions:										
Proceeds from redeemable units issued	188,573	128,037	51,160	30,511	5,293	1,378	8,166	3,142	253,192	163,068
Reinvestment of distributions to holders of redeemable units	3,442	7,379	1,643	1,747	535	550	156	52	5,776	9,728
Redemption of redeemable units	(110,351)	(78,852)	(30,729)	(22,844)	(2,630)	(2,219)	(1,070)	(148)	(144,780)	(104,063)
	81,664	56,564	22,074	9,414	3,198	(291)	7,252	3,046	114,188	68,733
Distributions to holders of redeemable shares:										
Net investment income	(218)	(1,281)	(1,812)	(1,615)	(535)	(450)	(157)	(45)	(2,722)	(3,391)
Net realized gains (loss) on investments	(241)	(3,824)	(45)	(687)	(6)	(100)	(2)	(10)	(294)	(4,621)
Total distributions paid to holders of redeemable units	(459)	(5,105)	(1,857)	(2,302)	(541)	(550)	(159)	(55)	(3,016)	(8,012)
Net increase in net assets attributable to holders of redeemable units	227,287	167,559	49,319	29,381	6,879	2,763	7,996	3,100	291,481	202,803
Net assets attributable to holders of redeemable units, end of year	\$ 1,137,548	\$ 910,261	\$ 211,393	\$ 162,074	\$ 30,686	\$ 23,807	\$ 11,096	\$ 3,100	\$ 1,390,723	\$ 1,099,242
Increase (decrease) in redeemable units outstanding:										
Beginning of year	40,932	38,237	7,038	6,602	1,392	1,411	253	–	49,615	46,250
Issued	7,841	6,141	2,072	1,407	272	86	600	261	10,785	7,895
Issued on reinvestment of distributions	141	342	62	78	27	33	11	4	241	457
Redeemed	(4,575)	(3,788)	(1,225)	(1,049)	(139)	(138)	(82)	(12)	(6,021)	(4,987)
Redeemable units outstanding, end of year	44,339	40,932	7,947	7,038	1,552	1,392	782	253	54,620	49,615
Weighted average units outstanding, during the year	42,740	39,400	7,673	6,743	1,404	1,386	417	39		

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

# VPI CANADIAN BALANCED POOL

Statements of Cash Flows  
(In thousands of dollars)

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from (used in) operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 180,309	\$ 142,082
Adjustments for:		
Foreign exchange loss on cash	36	59
Net realized gain on sale of investments	(43,846)	(32,307)
Transaction costs	78	58
Change in unrealized appreciation in value of investments	(133,409)	(105,251)
Purchase of investments	(366,389)	(245,667)
Proceeds from sale of investments	244,775	175,946
Dividends receivable	209	(525)
Interest receivable for distribution purposes	(574)	(325)
Accounts payable and accrued liabilities	292	2
Due to Manager	–	(9)
Management fees payable	628	185
Net cash used in operating activities	(117,891)	(65,752)
Cash flows from (used in) financing activities:		
Distributions paid to holders of redeemable units, net of reinvested distributions	2,760	1,716
Proceeds from redeemable units issued	244,302	156,427
Redemption of redeemable units	(135,677)	(97,559)
Net cash from financing activities	111,385	60,584
Foreign exchange loss on cash	(36)	(59)
Net decrease in cash and cash equivalents	(6,542)	(5,227)
Cash and cash equivalents, beginning of year	12,218	17,445
Cash and cash equivalents, end of year	\$ 5,676	\$ 12,218
Supplementary information:		
Dividends received, net of withholding tax	\$ 13,892	\$ 13,278
Interest received	11,208	8,032

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

# VPI CANADIAN BALANCED POOL

Schedule of Investment Portfolio

(In thousands of dollars, except for unit amounts)

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
<b>Short term investments:</b>						
10,000,000	Canadian Treasury Bill	30-Jan-25	3.499	\$ 9,911	\$ 9,911	
5,000,000	Canadian Treasury Bill	27-Feb-25	4.350	4,870	4,870	
10,000,000	Canadian Treasury Bill	22-May-25	4.310	9,604	9,604	
				24,385	24,385	1.75
<b>Bonds:</b>						
<b>Federal:</b>						
3,510,000	Canada Housing Trust No 1	15-Mar-25	2.550	3,744	3,505	
7,215,000	Canada Housing Trust No 1	15-Dec-25	1.950	7,667	7,145	
4,555,000	Canada Housing Trust No 1	15-Jun-27	2.350	4,997	4,491	
12,000,000	Canada Housing Trust No 1	15-Dec-29	2.900	11,962	11,885	
4,000,000	Canada Housing Trust No 1	15-Dec-31	1.600	3,978	3,575	
2,000,000	Canada Housing Trust No 1	15-Mar-34	4.250	1,999	2,110	
2,000,000	Canada Housing Trust No 1	15-Dec-34	3.500	1,996	1,986	
4,250,000	Canadian Government Real Return Bond	01-Dec-34	4.713	7,144	7,845	
1,750,000	CDP Financial Inc.	02-Dec-30	4.200	1,768	1,823	
10,000,000	CDP Financial Inc.	08-Mar-28	3.700	10,040	10,168	
5,000,000	CPPIB Capital Inc.	08-Mar-28	3.250	4,997	5,026	
1,500,000	CPPIB Capital Inc.	15-Jun-28	3.000	1,466	1,496	
2,000,000	CPPIB Capital Inc.	02-Jun-32	3.950	1,990	2,051	
2,000,000	CPPIB Capital Inc.	02-Jun-34	4.300	1,997	2,080	
3,000,000	PSP Capital Inc.	15-Jun-26	0.900	2,997	2,911	
1,435,000	PSP Capital Inc.	01-Jun-33	4.150	1,405	1,481	
				70,147	69,578	5.00
<b>Municipal:</b>						
3,000,000	City of Montreal Canada	01-Sep-30	1.750	2,737	2,738	
3,309,000	City of Toronto Canada	10-Jun-41	4.700	3,142	3,420	
500,000	City of Winnipeg Canada	01-Jun-64	4.650	496	513	
				6,375	6,671	0.48
<b>Provincial:</b>						
2,000,000	British Columbia Investment Management Corp.	02-Jun-33	4.900	2,141	2,165	
2,000,000	First Nations Finance Authority	01-Jun-28	3.050	1,864	1,994	
3,500,000	First Nations Finance Authority	16-Jun-30	1.710	3,065	3,208	
5,000,000	First Nations Finance Authority	01-Jun-34	4.100	4,968	5,065	
1,200,000	Municipal Finance Authority of British Columbia	19-Apr-26	2.500	1,158	1,192	
9,700,000	Municipal Finance Authority of British Columbia	30-Jun-26	1.350	9,448	9,465	
5,000,000	Municipal Finance Authority of British Columbia	09-Oct-29	2.550	4,638	4,848	
4,100,000	Municipal Finance Authority of British Columbia	03-Dec-33	4.050	4,045	4,185	
4,125,000	Municipal Finance Authority of British Columbia	03-Dec-34	3.750	4,123	4,079	
2,400,000	OPB Finance Trust	02-Feb-26	2.950	2,534	2,396	
3,500,000	Province of Alberta Canada	01-Jun-26	2.200	3,599	3,463	
2,000,000	Province of British Columbia Canada	18-Jun-25	2.850	1,957	1,998	
5,000,000	Province of British Columbia Canada	18-Jun-33	3.550	4,854	4,944	
1,520,000	Province of British Columbia Canada	18-Jun-37	4.700	1,953	1,618	
7,694,000	Province of British Columbia Canada	18-Jun-42	4.300	7,614	7,756	
1,500,000	Province of Manitoba Canada	05-Mar-37	5.700	2,102	1,728	
4,735,100	Province of Manitoba Canada	05-Sep-48	3.400	3,935	4,079	

# VPI CANADIAN BALANCED POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
<b>Provincial (continued):</b>						
3,000,000	Province of Newfoundland and Labrador Canada	02-Jun-33	4.150	\$ 2,998	\$ 3,073	
2,100,000	Province of Ontario Canada	02-Jun-26	2.400	2,035	2,083	
1,700,000	Province of Ontario Canada	02-Dec-26	8.000	2,673	1,856	
12,000,000	Province of Ontario Canada	02Jun-32	3.750	12,189	12,154	
5,000,000	Province of Ontario Canada	02-Jun-35	5.600	5,623	5,728	
1,570,000	Province of Ontario Canada	02-Jun-37	4.700	1,988	1,676	
2,500,000	Province of Ontario Canada	02-Jun-39	4.600	3,435	2,632	
5,177,000	Province of Ontario Canada	02-Jun-41	4.650	7,513	5,468	
4,000,000	Province of Ontario Canada	02-Jun-43	3.500	3,551	3,637	
8,660,000	Province of Ontario Canada	02-Dec-51	1.900	4,977	5,506	
2,000,000	Province of Quebec Canada	01-Sep-26	2.500	1,954	1,984	
5,000,000	Regional Municipality of York	01-May-34	4.050	4,956	5,053	
1,400,000	South Coast British Columbia Transportation Authority	12-Dec-53	4.150	1,316	1,336	
				119,207	116,369	8.37
<b>Corporate:</b>						
5,400,000	407 International Inc.	25-May-32	2.590	5,574	4,980	
1,000,000	Alimentation Couche-Tard Inc.	25-Sep-30	5.592	1,000	1,077	
2,000,000	AltaGas Ltd.	30-May-28	2.075	2,008	1,897	
2,000,000	BCI QuadReal Realty	31-Jul-27	4.160	2,000	2,037	
2,000,000	Brookfield Asset Management Inc.	16-Mar-27	3.800	2,118	2,013	
1,000,000	Canadian Imperial Bank of Commerce	07-Dec-26	5.000	1,000	1,028	
1,500,000	Canadian Imperial Bank of Commerce	14-Jan-28	5.500	1,499	1,581	
1,000,000	Canadian Imperial Bank of Commerce	16-Jan-34	5.300	1,000	1,044	
4,000,000	Canadian Western Bank	21-Apr-25	3.859	3,897	4,006	
3,500,000	Canadian Western Bank	16-Apr-26	1.926	3,309	3,441	
1,100,000	Canadian Western Bank	08-Feb-27	4.271	1,100	1,119	
2,919,000	Canadian Western Bank	16-Dec-27	1.818	2,876	2,797	
3,750,000	Central 1 Credit Union	29-Jan-26	1.323	3,722	3,666	
1,000,000	Coastal Gaslink Pipeline LP	30-Sep-34	5.187	1,000	1,073	
1,435,000	Enbridge Gas Inc	01-Apr-30	2.900	1,525	1,384	
2,000,000	Federation des Caisses Desjardins du Quebec	01-Oct-25	5.200	1,988	2,026	
2,000,000	Federation des Caisses Desjardins du Quebec	21-Jan-26	1.093	2,000	1,957	
700,000	George Weston Ltd.	05-Sep-29	4.193	700	709	
1,500,000	Honda Canada Finance Inc.	29-Jun-26	4.252	1,507	1,509	
2,000,000	Honda Canada Finance Inc.	28-Sep-28	5.730	1,996	2,140	
4,000,000	Hydro One Inc.	17-Sep-31	2.230	4,013	3,661	
5,000,000	Hydro-Quebec	15-Feb-63	4.000	4,894	4,814	
2,000,000	Molson Coors International LP	15-Jul-26	3.440	1,938	1,997	
1,000,000	National Bank of Canada	01-Feb-29	5.023	1,000	1,049	
5,000,000	Rogers Communications Inc	01-Mar-27	3.800	5,243	5,021	
2,000,000	Rogers Communications Inc	15-Apr-29	3.750	1,994	1,989	
2,100,000	Royal Bank of Canada	16-Jul-25	4.930	2,443	2,119	
2,000,000	Royal Bank of Canada	01-May-28	4.632	1,931	2,066	
200,000	SmartCentres Real Estate Investment Trust	16Dec-25	1.740	200	197	
500,000	SmartCentres Real Estate Investment Trust	18-Dec-28	2.307	500	466	
1,000,000	SmartCentres Real Estate Investment Trust	20-Dec-29	3.526	887	964	
1,500,000	SmartCentres Real Estate Investment Trust	11-Dec-30	3.648	1,613	1,432	
1,000,000	Sun Life Financial Inc.	18,Nov-31	2.460	1,000	982	
5,000,000	The Bank of Nova Scotia	29-Dec-25	5.500	5,097	5,102	
3,500,000	Toronto-Dominion Bank	27-Jan-26	4.344	3,469	3,532	
2,000,000	Toronto-Dominion Bank	22-Apr-30	3.105	1,958	1,997	
2,000,000	TMX Group Ltd.	26-May-26	4.747	1,999	2,036	
1,000,000	TMX Group Ltd.	12-Feb-31	2.016	1,000	907	
2,594,000	Toronto Dominion Bank	11-Sep-28	7.896	2,593	2,458	
1,000,000	VW Credit Canada Inc.	20-Sep-28	5.730	986	1,057	

# VPI CANADIAN BALANCED POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
<b>Corporate (continued):</b>						
4,502,000	Walt Disney Co.	30-Mar-27	3.057	\$ 4,736	\$ 4,465	
2,300,000	Wells Fargo & Co	19-May-26	2.975	2,305	2,285	
				93,618	92,080	6.62
<b>Total bonds</b>				289,347	284,698	20.47
<b>Equities:</b>						
<b>Banks:</b>						
291,365	Bank of Nova Scotia			19,298	22,490	
310,948	Canadian Western Bank			8,854	18,267	
240,310	Royal Bank of Canada			21,092	41,651	
500,392	Toronto-Dominion Bank			27,649	38,295	
				76,893	120,703	8.68
<b>Capital Goods:</b>						
142,109	AMETEK Inc.			32,908	36,841	
224,466	Badger Infrastructure Solutions Ltd.			6,702	8,054	
				39,610	44,895	3.23
<b>Commercial and Professional Services:</b>						
163,022	Boyd Group Services Inc.			35,941	35,340	
1,370,736	Element Fleet Management Corp.			18,439	39,834	
87,485	Thomson Reuters Corp.			3,742	20,193	
				58,122	95,367	6.86
<b>Consumer Discretionary Distribution and Retail:</b>						
314,758	Aritzia Inc.			11,282	16,820	
337,430	Dollarama Inc.			14,359	47,335	
81,694	Lowe's Companies Inc.			21,739	28,997	
				47,380	93,152	6.70
<b>Consumer Services:</b>						
46,167	Domino's Pizza Inc.			25,864	27,871	
357,544	MTY Food Group Inc.			16,993	16,365	
				42,857	44,236	3.18
<b>Consumer Staples Distribution and Retail:</b>						
523,376	Alimentation Couche-Tard Inc., Class B			16,891	41,724	3.00
<b>Energy:</b>						
609,104	Canadian Natural Resources Ltd.			14,682	27,032	3.00
<b>Financial Services:</b>						
71,941	Berkshire Hathaway Inc., Class B			16,885	46,899	
619,826	Brookfield Corp.			25,403	51,210	
252,236	Intercontinental Exchange Inc.			36,036	54,056	
134,928	Visa Inc., Class A			21,041	61,329	
				99,365	213,494	15.34

# VPI CANADIAN BALANCED POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
<b>Materials:</b>						
153,073	Methanex Corp.		\$	7,994	\$ 10,995	
278,031	Stella Jones Inc			11,368	19,793	
287,816	Wheaton Precious Metals Corp.			15,022	23,287	
				34,384	54,075	3.89
<b>Media and Entertainment:</b>						
294,535	Alphabet Inc., Class A			36,033	80,188	5.76
<b>Pharmaceuticals, Biotechnology and Life Sciences:</b>						
1,071,988	DRI Healthcare Trust			11,655	12,682	
31,320	Thermo Fisher Scientific Inc.			13,905	23,434	
				25,560	36,116	2.60
<b>Semiconductors and Semiconductor Equipment:</b>						
88,658	Texas Instruments Inc.			19,573	23,909	1.72
<b>Software and Services</b>						
134,410	Kinaxis Inc.			20,960	23,272	
54,676	Microsoft Corp.			4,653	33,145	
32,639	Roper Technologies Inc.			15,779	24,403	
				41,392	80,820	5.81
<b>Technology Hardware and Equipment:</b>						
70,532	Apple Inc.			1,590	25,403	1.83
<b>Transportation:</b>						
208,315	Canadian National Railway Co.			13,907	30,408	
214,738	TFI International Inc.			9,278	41,711	
				23,185	72,119	5.19
<b>Utilities:</b>						
477,242	Brookfield Infrastructure Partners LP			20,464	21,800	1.57
<b>Summary:</b>						
	Short term Investments			24,385	24,385	1.75
	Bonds			289,347	284,698	20.47
	Equities			597,981	1,075,033	77.30
				911,713	1,384,116	99.52
	Transaction costs			(232)		
	Total financial assets at FVTPL			911,481	1,384,116	99.52
<b>Cash</b>						
	Domestic			4,731	4,731	
	Foreign			939	945	
	Total cash			5,670	5,676	0.41
	Other assets less liabilities				931	0.07
	Total net assets attributable to holders of redeemable units				\$ 1,390,723	100.00

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

# VPI CANADIAN BALANCED POOL

Notes to Financial Statements

(In thousands of dollars, except for unit amounts)

Years ended December 31, 2024 and 2023

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## 1. Reporting entity:

- (a) VPI Canadian Balanced Pool (the Pool) is an open-ended mutual fund trust, established on September 19, 2007 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 1, 2007 with two series of units: Series A and Series F. 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 and as at December 31, 2024, one unit has been issued.

The Pool's objective is to generate long term growth in value and income by investing in a diversified portfolio of Canadian government and corporate bonds, Canadian and foreign equities, trust and limited partnership units, preferred shares and index or sector proxies, such as index participation units. It is designed to provide both moderate income and reasonable growth over the long term, while being sufficiently diversified to mitigate volatility.

On September 8, 2023, Great-West Lifeco Inc. and a wholly owned subsidiary of The Canada Life Assurance Company, 14894821 Canada Inc. 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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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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 March 13, 2025.

- (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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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

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

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

Financial instruments 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 December 31, 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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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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, accrued interest receivable for distribution purposes, subscriptions receivable, 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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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### 3. Material accounting policies (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.

(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.

(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 currency gain (loss) on cash and other net assets' 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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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

(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.

(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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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

(g) Accounting standards issued but not yet effective:

The International Accounting Standards Board issued IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18) on April 9, 2024, which will replace IAS 1, *Presentation of Financial Statements*.

This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income.

Key changes include new categories for income and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. The Manager is assessing the implications of IFRS 18 and its impact on the Pool's financial statements and disclosures.

### 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 0.10% annually.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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## 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, Series O or Series P 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 years ended December 31, 2024 and December 31, 2023.

## 5. Related party transactions:

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

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	2024	2023
Management fees payable	\$ 2,103	\$ 1,475

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Related party transactions of the Pool for the years ended December 31, 2024 and 2023 are as follows:

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	2024	2023
Management fees	\$ 21,444	\$ 16,841
Absorbed expenses	(18)	(16)

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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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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## 5. Related party transactions (continued):

As of December 31, 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
Series P	1	–

## 6. Brokerage commissions:

Commissions paid to brokers for portfolio transactions for the years ended December 31, 2024 and 2023 is disclosed in the statements of comprehensive income.

There were \$26 of soft dollar commissions paid during the period ended December 31, 2024 (2023 - \$35).

## 7. Income taxes:

There were no capital or non-capital losses available for carryforward as of December 31, 2024 and 2023.

## 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:

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

## 8. Financial risk management (continued):

### (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 December 31, 2024	\$ 1,075,033	77.30%	\$ 53,752	3.87%
As at December 31, 2023	839,265	76.35%	41,963	3.82%

### (ii) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Pool is exposed to this risk to the extent that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The tables below summarize the Pool's exposure to interest rate risk. They include the Pool's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2024	Less than 1 year	1 - 3 years	3 - 5 years	Greater than 5 years	Non- interest bearing	Total
Financial assets at FVTPL	\$ 50,484	\$ 68,743	\$ 51,792	\$ 138,064	\$ 1,075,033	\$ 1,384,116

As at December 31, 2023	Less than 1 year	1 - 3 years	3 - 5 years	Greater than 5 years	Non- interest bearing	Total
Financial assets at FVTPL	\$ 52,242	\$ 54,168	\$ 50,008	\$ 89,642	\$ 839,265	\$ 1,085,325

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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## 8. Financial risk management (continued):

### (ii) Interest rate risk (continued):

At December 31, 2024 and December 31, 2023, should interest rates have increased or decreased by 25 basis points, excluding cash and treasury bills and assuming a parallel shift in the yield curve, with all other variables held constant, net assets for the Pool would have approximately increased or decreased as indicated in the following table.

The Pool's sensitivity to interest rates was estimated using the weighted average duration of the bond portfolio.

	Impact on net assets (\$)	Impact on net assets (%)
As at December 31, 2024	\$ 3,535	0.25%
As at December 31, 2023	2,652	0.24%

### (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. The Pool's greatest concentration of credit risk is in bonds and debt securities such as Canada Treasury Bills. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of investments represents the maximum credit risk exposure as of December 31, 2024 and December 31, 2023.

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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

## 8. Financial risk management (continued):

(iii) Credit risk (continued):

Debt securities in the Pool by credit rating are as follows:

As at December 31, 2024	% of debt securities	% of net assets
AAA	41.20%	9.16%
AA	29.99%	6.66%
A	21.31%	4.74%
BBB	7.50%	1.67%
N/R	0.00%	0.00%
	100.00%	22.23%

As at December 31, 2023	% of debt securities	% of net assets
AAA	39.86%	8.93%
AA	17.16%	3.84%
A	34.94%	7.82%
BBB	7.63%	1.71%
N/R	0.41%	0.09%
	100.00%	22.39%

(iv) Liquidity risk:

The Pool is exposed to liquidity risk to the extent 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 CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

## 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 only foreign currency to which the Pool was exposed at December 31, 2024 and December 31, 2023 was the U.S. dollar. 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 this currency relative to the Canadian dollar.

As at December 31, 2024	Foreign currencies (\$)	Impact on net assets (\$)	Impact on net assets (%)
United States dollar	\$ 467,705	\$ 23,385	1.68%

As at December 31, 2023	Foreign currencies (\$)	Impact on net assets (\$)	Impact on net assets (%)
United States dollar	\$ 353,148	\$ 17,657	1.61%

### (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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

## 8. Financial risk management (continued):

(vi) Concentration risk (continued):

The following is a summary of the Pool's concentration risk:

Market segment	December 31,	December 31,
Long	2024	2023
	%	%
Short-term investments	1.76	1.81
Corporate bonds	6.65	8.04
Federal bonds	5.03	5.57
Municipal bonds	0.48	0.32
Provincial bonds	8.40	6.93
Banks	8.72	9.22
Capital goods	3.24	0.83
Commercial and professional services	6.89	4.97
Consumer discretionary distribution and retail	6.73	6.46
Consumer services	3.20	1.72
Consumer staples distribution and retail	3.01	3.76
Energy	1.95	2.00
Financial services	15.42	15.17
Health care equipment and services	—	2.47
Materials	3.91	6.32
Media and entertainment	5.79	4.40
Pharmaceuticals, biotechnology and life sciences	2.61	3.55
Semiconductor and semiconductor equipment	1.73	1.84
Software and services	5.85	5.71
Technology hardware and equipment	1.84	1.65
Telecommunication services	—	0.67
Transportation	5.21	6.59
Utilities	1.58	—
	100.00	100.00

(vii) 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, tariffs, 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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

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## 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 amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. 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.

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.

# VPI CANADIAN BALANCED POOL

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

Years ended December 31, 2024 and 2023

## 9. Fair value disclosure (continued):

(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 December 31, 2024 and December 31, 2023:

Financial assets at fair value as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Equities	\$ 1,075,033	\$ –	\$ –	\$ 1,075,033
Bonds	–	284,698	–	284,698
Short-term investments	–	24,385	–	24,385
	\$ 1,075,033	\$ 309,083	\$ –	\$ 1,384,116

Financial assets at fair value as at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Equities	\$ 839,265	\$ –	\$ –	\$ 839,265
Bonds	–	226,419	–	226,419
Short-term investments	–	19,641	–	19,641
	\$ 839,265	\$ 246,060	\$ –	\$ 1,085,325

During the years ended December 31, 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.