VPI CORPORATE BOND POOL

DOING BONDS DIFFERENTLY

POOL RETURNS

	1 Year	3 Year	5 Year
VPI Corporate Bond Pool - Series A	4.5%	6.2%	5.2%
FTSE Canada Universe Bond Index*	2.9%	4.7%	-0.2%
Value Added	1.6%	1.5%	5.4%

*Please see disclaimer on the last page for more information on the benchmark comparison. Returns as of September 30, 2025.
Source: Value Partners Investments.

MARKET OVERVIEW

The U.S. Federal Reserve cut interest rates by a quarter point, as Fed officials projected labour market softness outweighing inflation risk. The U.S. government has imposed tariffs on all its trading partners, raising the costs for manufacturers and small businesses. The difference between interest rates for corporate credit over government bonds, or spreads, are historically low. Most investors expect a slowdown versus an outright recession and have been diving into corporate credit for this reason.

High inflation, increased government spending and elevated debt levels in major developed economies have pushed yields of thirty-year government bonds to multiyear highs. 'Core' inflation, which excludes food and energy items, has remained high at just under 3%. The threat to the Fed's independence remains a risk.

The Bank of Canada lowered its overnight interest rate to 2.5%. Canada's exports have fallen from the first quarter when companies rushed to fill orders ahead of the tariffs. The government's recent decision to remove most retaliatory tariffs on imported goods from the U.S. should lower upward pressure on prices.

POOL ACTIVITY

The portfolio purchased new maple bond issues from AA rated Pacific Life and MassMutual and A rated senior unsecured issues of TD Bank and RBC. In the secondary market, the portfolio added to its holdings of AAA rated NHA, MBS, and CHT bonds. The portfolio opportunistically sold short corporate holdings, including positions in short dated bank covered bonds and senior unsecured bonds, and extended duration into mid-term Canadas. Avis, Bombardier and a Hertz convertible bond were reduced as spreads traded tighter.

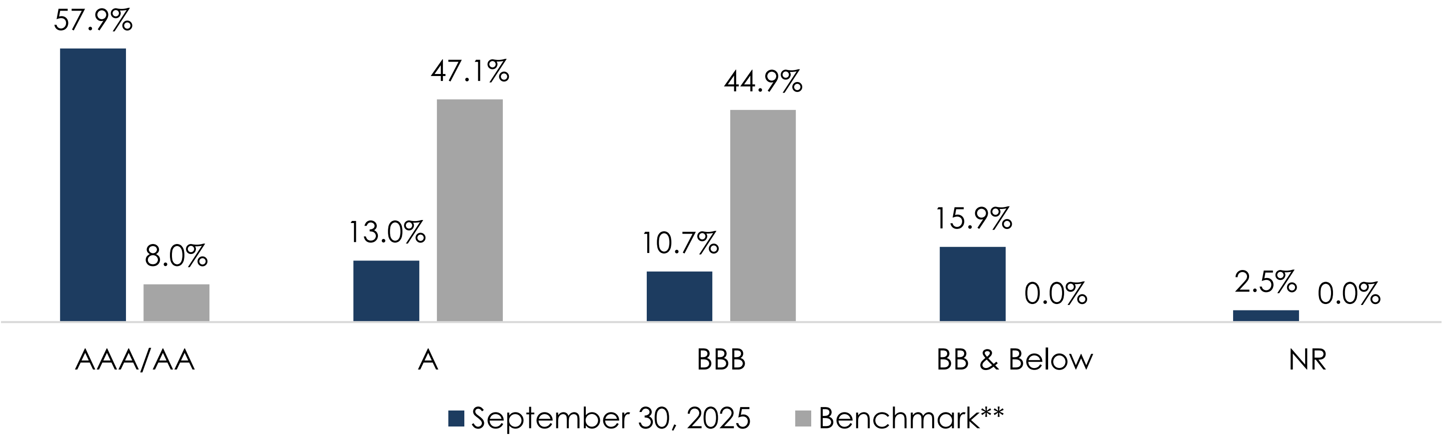
An Air Canada convertible note matured on July 1st while a MileagePlus term loan and a UBS Group senior unsecured issue were called at par. LATAM Airlines redeemed their 2029 senior secured notes 3 months prior to the first call date, paying bondholders a make-whole premium to do so. FLINT Corp completed a recapitalization involving the exchange of bonds and preferred shares for common equity.

(204) 949-0059
valuepartnersinvestments.ca
300-175 Hargrave St.
info@vpinvestments.ca

VPI CORPORATE BOND POOL

DOING BONDS DIFFERENTLY

POOL CREDIT QUALITY



POOL POSITIONING

The portfolio continues to be conservatively positioned with 57.9% invested in AAA/AA rated securities. The BB & Below weight dropped 2.4% to end the period at 15.9%. Portfolio duration increased from 3.3 to 4.1 years, but remains short of the 5.6 year Index duration.

POOL CHARACTERISTICS

	Current Quarter	Previous Quarter
Pool Duration	4.1 years	3.3 years
Benchmark Duration	5.6 years	5.6 years
Pool Yield	4.5%	5.1%
Benchmark Yield	3.8%	4.0%
Weight in Floating Rate	4.4%	5.3%
Weight in Foreign Issuers	15.9%	20.9%
Weight in Foreign Currency	14.2%	20.4%

Pool Characteristics table: Data as of September 30, 2025. Pool Yield is current yield. Pool yield is calculated as the weighted sum of the yields of all securities in the pool. **Benchmark: FTSE Canada All Corporate Bond Index. **Please refer to page 3 for further details on benchmark comparison. Source: Canso Investment Counsel Ltd.

VPI CORPORATE BOND POOL

DOING BONDS DIFFERENTLY

STANDARD PERFORMANCE DATA

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SERIES A	4.5%	6.2%	5.2%	5.6%

Note: As of September 30, 2025. Inception: June 29, 2020. Source: Value Partners Investments Inc.

Date of Publication: October 2025

Click or Scan to Watch our Latest Update Video

(204) 949-0059
valuepartnersinvestments.ca

300-175 Hargrave St.
info@vpinvestments.ca