VPI TOTAL EQUITY POOL

INTERIM FINANCIAL STATEMENTS (UNAUDITED)
SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

MANAGER
VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER
DIXON MITCHELL INVESTMENT COUNSEL INC.

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 TOTAL EQUITY POOL

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

June 30, 2022 and December 31, 2021 (unaudited)

As at		June 30, 2022		December 31, 2022
Assets				
Financial assets at fair value through profit or loss	$	26,188	$	13,176
Cash and cash equivalents		1,095		417
Accrued dividends receivable		19		15
Subscriptions receivable		417		45
Due from Manager (note 5)		18		1
	$	27,737	$	13,654
Liabilities				
Accounts payable and accrued liabilities	$	53	$	35
Management fees payable (notes 4 and 5)		31		15
		84		50
Net assets attributable to holders of redeemable units	$	27,653	$	13,604
Net assets attributable to holders of redeemable units per series:				
Series A	$	17,636	$	8,917
Series F		5,909		1,928
Series I		4,108		2,759
Net assets attributable to holders of redeemable units per unit:				
Series A	$	9.50	$	10.83
Series F		9,59		10.89
Series I		9,71		10.95
Number of redeemable units outstanding:				
Series A		1,856		823
Series F		616		177
Series I		423		252

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

VPI TOTAL EQUITY POOL

Statement of Comprehensive Loss
(In thousands of dollars, except for per unit amounts)

For the six-month period ended June 30, 2022 (unaudited)

		2022
Income:		
Dividend income	$	172
Foreign exchange loss on cash		(19)
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:		
Net realized loss on sale of investments		(8)
Change in unrealized depreciation in value of investments		(3,193)
		(3,048)
Expenses:		
Administration		61
Audit fees		4
Independent review committee fees		5
Security holder reporting costs		6
Filing fees		9
Legal fees		3
Management fees (notes 4 and 5)		155
Trustee fees		3
Withholding taxes		5
Transaction costs		6
		257
Absorbed expenses (notes 4 and 5)		(56)
		201
Decrease in net assets attributable to holders of redeemable units	$	(3,249)
Increase in net assets attributable to holders of redeemable units per series:		
Series A	$	(2,153)
Series F		(638)
Series I		(458)
Increase in net assets attributable to holders of redeemable units per unit:		
Series A	$	(1.53)
Series F		(1.52)
Series I		(1.42)

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VPI TOTAL EQUITY POOL

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

For the six-month period ended June 30, 2022 (unaudited)

	Series A 2022	Series F 2022	Series I 2022	Total 2022
Net assets attributable to holders of redeemable units at beginning of period	$ 8,917	$ 1,928	$ 2,759	$ 13,604
Decrease in net assets attributable to holders of redeemable units per series	(2,153)	(638)	(458)	(3,249)
Redeemable unit transactions:				
Proceeds from redeemable units issued	12,062	4,641	1,819	18,522
Reinvestments of distributions to holders of redeemable units	27	4	–	31
Redemption of redeemable units	(1,217)	(26)	(12)	(1,255)
	10,872	4,619	1,807	17,298
Net increase in net assets attributable to holders of redeemable units	8,719	3,981	1,349	14,049
Net assets attributable to holders of redeemable units at end of period	$ 17,636	$ 5,909	$ 4,108	$ 27,653
Increase in redeemable units outstanding:				
Beginning of period	823	177	252	1,252
Issued	1,149	442	172	1,763
Issued on reinvestment of distributions	3	–	–	3
Redeemed	(119)	(3)	(1)	(123)
Redeemable units outstanding, end of period	1,856	616	423	2,895
Weighted average units outstanding, during the period	1,406	421	322	

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

VPI TOTAL EQUITY POOL

Statement of Cash Flows
(In thousands of dollars)

For the six-month period ended June 30, 2022 (unaudited)

		2022
Cash flows from (used) in operating activities:		
Decrease in net assets attributable to holders of redeemable units	$	(3,249)
Adjustments for:		
Foreign exchange loss on cash		19
Net realized loss on sale of investments		8
Transaction costs		6
Change in unrealized depreciation in value of investments		3,193
Purchases of investments		(17,222)
Proceeds from sale of investments		1,002
Dividends receivable		(4)
Due from Manager		16
Accounts payable and accrued liabilities		18
Management fees payable		(17)
Net cash used in operating activities		(16,230)
Cash flows from (used in) financing activities:		
Distributions paid to holders of redeemable units, net of reinvested distributions		31
Proceeds from redeemable units issued		18,132
Redemption of redeemable units		(1,236)
Net cash from financing activities		16,927
Foreign exchange loss on cash		(19)
Net increase in cash and cash equivalents		678
Cash and cash equivalents, beginning of period		417
Cash and cash equivalents, end of period	$	1,095
Supplementary information:		
Dividends received, net of withholding tax	$	163

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

VPI TOTAL EQUITY POOL

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

June 30, 2022 (unaudited)

Number of units, shares or par value	Description	Average cost	Fair value	% of net assets
Equities:				
Banks:				
15,486	Bank of Nova Scotia	$ 1,319	$ 1,180	
9,694	Canadian Western Bank	363	252	
9,842	Royal Bank of Canada	1,310	1,227	
17,461	Toronto-Dominion Bank	1,633	1,474	
		4,625	4,133	14.95
Capital Goods:				
9,492	Badger Infrastructure Solutions Ltd.	295	268	0.97
Commercial and Professional Services:				
6,180	Thomson Reuters Corp.	840	829	3.00
Communication Services:				
4,250	Rogers Communications Inc., Class B	267	262	0.95
Consumer Durables and Apparel:				
6,881	Gildan Activewear Inc.	313	255	0.92
Consumer Services:				
11,218	MTY Food Group Inc.	647	575	2.08
Diversified Financials:				
4,277	Berkshire Hathaway, Class B	1,643	1,505	
12,855	Brookfield Asset Management Inc.	890	736	
36,477	Element Fleet Management Corp.	479	490	
4,163	Intercontinental Exchange Inc.	646	505	
		3,658	3,236	11.70
Energy:				
12,789	Canadian Natural Resources Ltd.	798	885	
4,232	Enbridge Inc.	217	230	
		1,015	1,115	4.03
Food and Staples Retailing:				
21,438	Alimentation Couche Tard Inc.	1,110	1,076	3.89
Health Care Equipment and Services:				
4,347	CVS Health Corp.	519	520	
		519	520	1.88

VPI TOTAL EQUITY POOL

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

June 30, 2022 (unaudited)

Number of units, shares or par value	Description	Average cost	Fair value	% of net assets
Insurance:				
11,791	Manulife Financial Corp.	$ 299	$ 263	0.95
Materials:				
5,020	Methanex Corp.	279	247	
14,680	Stella-Jones Inc.	601	477	
10,815	Wheaton Precious Metals Corp.	610	502	
		1,490	1,226	4.43
Media and Entertainment:				
562	Alphabet Inc., Class A	1,916	1,580	5.71
Pharmaceuticals, Biotechnology and Life Sciences:				
1,377	Thermo Fisher Scientific Inc.	1,007	965	3.49
Retailing:				
20,666	Dollarama Inc.	1,335	1,532	
2,503	Lowe's Companies Inc.	638	564	
		1,973	2.096	7.58
Semiconductor & Semiconductor Equipment:				
3,621	Texas Instruments Inc.	793	718	2.60
Software and Services:				
3,781	Microsoft Corp.	1,416	1,253	
10,145	Oracle Corp.	1,084	914	
973	Roper Technologies Inc.	569	495	
6,516	Visa Inc., Class A	1,808	1,655	
		4,877	4,317	15.61
Technology Hardware and Equipment:				
4,158	Apple Inc.	825	733	2.65
Transportation:				
8,608	Canadian National Railway Co.	1,305	1,246	
7,496	TFI International Inc.	944	775	
		2,249	2,021	7.31
Total equities		28,718	26,188	94.70
Transaction costs		(9)		
Total financial assets at FVTPL		28,709	26,188	94.70

VPI TOTAL EQUITY POOL

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

June 30, 2022 (unaudited)

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
Cash:						
Domestic				$ 1,084	$ 1,083	
Foreign				12	12	
Total cash				1,096	1,095	3.96
Other assets less liabilities					370	1.34
Total net assets attributable to holders of redeemable units					$ 27,653	100.00

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

1. Reporting entity:

(a) VPI Total Equity Pool (the Pool) is an open-ended mutual fund trust, established on July 2, 2021 by declaration of trust under the laws of the Province of Ontario. As of July 2021, 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 July 2, 2021 with Series A, Series F, and Series O. Effective June 15, 2022 all Series O units were renamed as Series I units. Effective June 28, 2022, Series O units of the Pool were qualified for distribution. The Pool no longer offers Series B or Cardinal Series units.

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 primarily in equity securities.

(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. 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.

Except for Series I and O 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 and Series O, both common fund expenses, as well as expenses unique to Series I and Series O, are paid by the Manager. Distributions of each series may vary due to the differences in expenses between the series.

1. Reporting entity (continued):

(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 International Accounting Standard 34 Interim Financial Reporting (IAS 34), as published by the International Accounting Standards Board (IASB) and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

The financial statements were authorized for issue by the Manager on behalf of the board of directors on August 18, 2022.

(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.

(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.

2. Basis of preparation (continued):

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 under IFRS 13 - *Fair Value Measurement* (IFRS 13).

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

3. Significant accounting policies:

(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.

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.

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, 2022 and December 31, 2021, no amounts have been offset in the statements of financial position.

3. Significant accounting policies (continued):

(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 statement of comprehensive loss 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.

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.

3. Significant accounting policies (continued):

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.

(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.

3. Significant 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 statement of comprehensive loss.

(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 statement of comprehensive loss 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.

3. Significant accounting policies (continued):

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 and Series O 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:

Series A	1.80%
Series F	0.90%

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 O units. Instead, each investor negotiates a separate fee that is paid directly to the Manager.

Except for Series I and Series O 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.

(In thousands of dollars, except for unit amounts)

4. Management fees and expenses (continued):

Proportionate fund expenses for Series I and Series O units, both common fund expenses, as well as expenses unique to Series I and Series O, are paid 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, 2022 and December 31, 2021.

5. Related party transactions:

Related party balances of the Pool as at June 30, 2022 and December 31, 2021 is as follows:

	2022	2021
Management fees payable	$ 31	$ 15
Due from Manager	18	1

Related party transactions of the Pool for the six-month periods ended June 30, 2022 and 2021 is as follows:

	2022
Management fees	$ 155
Absorbed expenses	(56)

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.

As of June 30, 2022 and December 31, 2021, the Manager or parent company of the Manager held the following number of units in the Pool:

	2022	2021
Series A	1	1
Series F	25,112	25,047
Series I	1	1

6. Brokerage commissions:

Commissions paid to brokers for portfolio transactions for the six-month periods ended June 30, 2022 and 2021 is disclosed in the statement of comprehensive loss.

There were no soft dollar commissions paid during the six-month periods ended June 30, 2022 and 2021.

7. Income taxes:

As of December 31, 2021, there were no capital or non-capital losses available for carry forward.

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.

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

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, 2022	$ 26,188	94.70%	$ 1,309	4.74%
As at December 31, 2021	$ 13,176	96.87%	$ 658	4.84%

(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.

As at June 30, 2022 and December 31, 2021, the Pool had no significant investments in debt instruments and/or derivatives.

(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.

(In thousands of dollars, except for unit amounts)

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 currencies to which the Pool was exposed at June 30, 2022 and December 31, 2021 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 these currencies relative to the Canadian dollar.

As at June 30, 2022	Foreign currencies ($)	Impact on net assets ($)	Impact on net assets (%)
Financial assets at FVTPL	$ 11,408	$ 570	2.06%
Cash	12	1	– %
Other assets less liabilities	3	–	– %
	$ 11,423	$ 571	2.06%

As at December 31, 2021	Foreign currencies ($)	Impact on net assets ($)	Impact on net assets (%)
Financial assets at FVTPL	$ 6,069	$ 303	2.22%
Cash	(214)	(10)	(0.07)%
Other assets less liabilities	1	–	0.00%
	$ 5,856	$ 293	2.15%

(In thousands of dollars, except for unit amounts)

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 Long	June 30, 2022	December 31, 2021
	%	%
Banks	15.79	16.84
Capital goods	1.02	2.84
Commercial and professional services	3.17	2.95
Communication services	1.00	0.91
Consumer durables and apparel	0.97	1.16
Consumer services	2.20	1.79
Diversified financials	12.35	14.24
Energy	4.26	3.25
Food, beverage and tobacco	–	1.09
Food and staples retailing	4.11	3.94
Health care equipment and services	1.99	3.86
Insurance	1.00	1.02
Materials	4.68	2.56
Media and entertainment	6.03	7.59
Pharmaceuticals, biotechnology and life sciences	3.68	4.18
Retailing	8.00	4.42
Semiconductor and semiconductor equipment:	2.74	–
Software and services	16.49	15.22
Technology hardware and equipment	2.80	3.92
Transportation	7.72	8.22
	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, 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.

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, 2022 and December 31, 2021:

(In thousands of dollars, except for unit amounts)

9. Fair value disclosure (continued):

Financial assets at fair value as at June 30, 2022:

	Level 1	Level 2	Level 3	Total
Equities - long	$ 26,188	$ –	$ –	$ 26,188

Financial assets at fair value as at December 31, 2021:

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities - long	$ 13,176	$ –	$ –	$ 13,176

During the six-month period ended June 30, 2022 and the year ended December 31, 2021, there was 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.