



VPI CORPORATE BOND POOL

**ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

CANSO INVESTMENT COUNSEL LTD.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Pool. If you have not received a copy of the annual financial statements with this annual management report of fund performance, you may obtain a copy at your request, and at no cost, by calling toll-free at 1-866-323-4235, by writing to us at 300-175 Hargrave Street, R3C 3R8, by visiting our website at www.valuepartnersinvestments.ca or by visiting the SEDAR website at www.sedar.com. You may also contact us using one of these methods to request a copy of the Pool's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



Annual Management Discussion of Fund Performance

March 21, 2022

Investment Objective and Strategies

VPI Corporate Bond Pool's objective is to preserve capital while providing a reasonable level of income and the potential for long-term capital growth by investing primarily in fixed income securities.

The Portfolio Manager will use a flexible approach to investing in fixed income securities with no geographic restrictions. Fixed income securities may include, but are not limited to corporate bonds, convertible bonds, government bonds, loans, notes and other evidences of indebtedness. In the event that the Portfolio Manager is unable to find fixed income securities that meet its investment criteria in terms of quality and value, the Portfolio Manager will choose to hold cash and/or cash equivalents until the right opportunity comes available. This approach is used to protect investor capital and avoid the potential for long-term capital losses.

Risk

The Pool is considered suitable for investors with a low tolerance for risk. The risks of investing in the Pool remain as discussed in the Prospectus and there were no significant changes to the Pool that materially affected its overall level of risk during the reporting period.

As the economy continues to reopen and recover from the pandemic, corporate spreads in the more pandemically affected issuers should narrow further. Yields will likely climb higher reflecting the inflationary environment. The Portfolio Manager will continue to reduce duration and improve quality by opportunistically trimming issues as they reach full valuation and reinvest in attractive issues or floating rate instruments to provide further protection against the potential risk of rising rates.

Results of Operations

The net assets for the Pool increased by approximately \$116.9 million for the year ended December 31, 2021. This increase was primarily due to net sales of \$118.4 million and a \$29.2 million increase in net assets from operations. This was offset by \$30.7 million of distributions to unitholders. The increase in net assets from operations resulted from \$15.9 million of realized net gains on the sale of investments and currency forward contracts and \$17.0 million of dividend and interest income. This was offset by \$2.0 million of unrealized depreciation on the sale of investments and currency forward contracts and \$1.7 million of management fees and operating expenses.

Each series of the Pool experienced a gain in the range of 7.3% to 9.1% relative to the -2.5% loss of the FTSE Canada Universe Bond Index (the "Index").

The strongest contributors to the Pools outperformance are due to the allocation of corporate bonds held in the energy and transportation sector.

Revenues and Expenses

Revenues of the Pool amounted to \$17.0 million for the year, which can be primarily attributed to interest income from its holdings. The Pool experienced \$15.9 million in realized net gains on the sale of investments and currency forward contracts and \$2.0 million of unrealized depreciation on the sale of investments and currency forward contracts. The Pool also incurred \$1.7 million in management fees and operating expenses net of \$157 thousand of expenses absorbed by the Manager.



VALUE
PARTNERS
INVESTMENTS

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2021

VPI CORPORATE BOND POOL

Recent Developments

Economic Conditions

In a clear sign that the Federal Reserve is shifting to tighter monetary policy, the Fed Chair Jerome Powell decided to retire the word 'transitory' and acknowledge that inflation is proving to be more persistent than expected. The expectation of increased administered rates in both the U.S. and Canada pushed the shorter end of the yield curve higher in the fourth quarter of 2021, while longer term government bond yields reacted to news of the Omicron variant. As Omicron fears subside in early 2022, government bond yields in the U.S. and Canada continued their ascent as inflation figures printed higher and markets turned their focus to anticipated upcoming rate increases.

In 2021 the portfolio was active in the new issue market, adding Limited Recourse Capital Notes from several large Canadian banks and insurance companies, as well as new issues from Avis and Boeing. The Portfolio Manager also led a reverse inquiry with Air Canada as part of a large refinancing in July. The portfolio continues to opportunistically sell positions that have reached full valuations and reinvest in high quality liquid securities and will only extend duration when compensated for the incremental interest rate risk.

As at the end of February, the tragedy unfolding in Ukraine has, at least up until now, had a limited impact on fixed income markets. The initial shock of Russia's attack on Ukraine led to a sell-off in equity markets, drop in yields, surge in oil and other commodity prices and a flight to quality. Markets quickly recovered lost ground, but it is expected that volatility will continue as the invasion presses on. Given the quickly evolving situation, the Portfolio Manager will continue to monitor the conflict and the potential impacts to the securities held within the Pool.



VPI CORPORATE BOND POOL

Portfolio Allocation

Corporate Bonds	83.4%	Term-Loans	4.2%
Mortgage-Backed Securities	7.8%	Equities	1.0%
Cash & Equivalents	6.6%	Forwards	0.1%
		Other Net Assets	-3.1%

Sector Allocation

Corporate Bonds	83.4%	Energy	0.8%
Mortgage-Backed Securities	7.8%	Capital Goods	0.1%
Cash & Equivalents	6.6%	Telecommunication Services	0.1%
Term-Loans	4.2%	Forwards	0.1%
		Other Net Assets	-3.1%

Top 25 Holdings

Issuer	Maturity Date	Coupon Rate	Percentage of Net Assets
Cash & Equivalents			6.6%
Air Canada	15-Aug-29	4.6%	3.9%
Ford Credit Canada Co., FRN	21-Mar-24	3.6%	3.8%
American Airlines Inc.	15-Jul-25	11.8%	2.8%
Bombardier Inc.	01-May-34	7.5%	2.6%
Manulife Financial Corporation, FRN	19-Jun-81	3.4%	2.5%
Canadian Imperial Bank of Commerce, FRN	10-Jun-24	0.7%	2.5%
Manulife Financial Corporation, FRN	19-Mar-82	4.1%	2.3%
Government of Canada, FRN	01-Jul-26	0.2%	2.2%
TC Energy Corporation, FRN	15-May-67	2.4%	2.1%
Bank of Nova Scotia, FRN	27-Jul-81	3.7%	1.9%
Canadian Imperial Bank of Commerce, FRN	04-Mar-25	0.6%	1.8%
Delta Airlines	16-Sep-27	4.8%	1.7%
Bank of Nova Scotia, FRN	04-Aug-26	0.7%	1.7%
Royal Bank of Canada, FRN	24-Nov-80	4.5%	1.6%
Spirit AeroSystems Inc.	15-Apr-25	7.5%	1.6%
Sunlife Financial Inc., FRN	30-Jun-81	3.6%	1.5%
Toronto Dominion Bank, FRN	31-Oct-81	3.6%	1.5%
Ford Motor Credit Co. LLC, FRN	07-Jan-22	3.3%	1.5%
Neptune Acquisition Inc.	08-Apr-27	10.0%	1.5%
Occidental Petroleum Corporation	01-Sep-30	6.6%	1.4%
Avis Budget Car Rental	15-Jul-27	5.8%	1.4%
Spirit AeroSystems Inc.	15-Jun-28	4.6%	1.3%
Royal Bank of Canada, FRN	24-Feb-81	4.0%	1.3%
Royal Bank of Canada, FRN	31-Dec-49	4.2%	1.3%
Total			57.3%

The above summary of investment portfolio may change due to ongoing portfolio transactions of the Pool. An update will be made available within 60 days of each subsequent quarter-end.



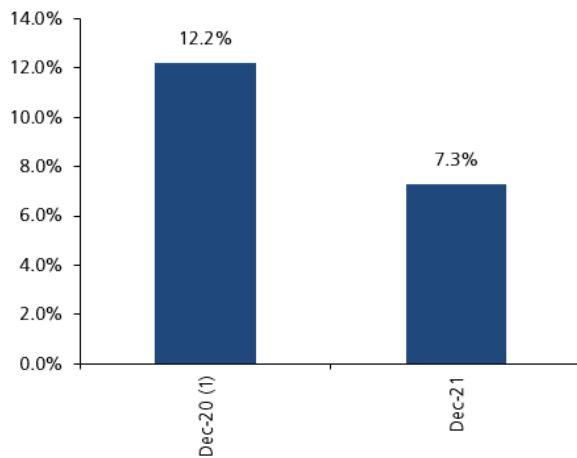
Past Performance

The historical performance information shown below assumes that all distributions were reinvested in the Pool and does not account for any sales, redemptions, distributions or optional charges or income taxes payable by an investor that would have reduced returns. Mutual fund returns are not guaranteed, their values change frequently and past performance may not be repeated.

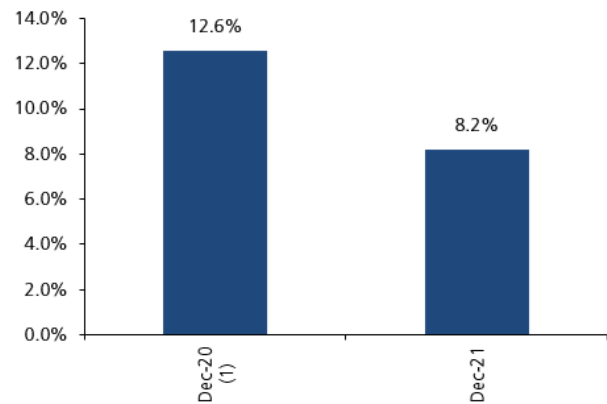
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the year ended December 31, 2021, and for previous years ended December 31 or since inception to December 31. It shows in percentage terms, how an investment made on January 1 or on inception would have increased or decreased by the end of the respective periods.

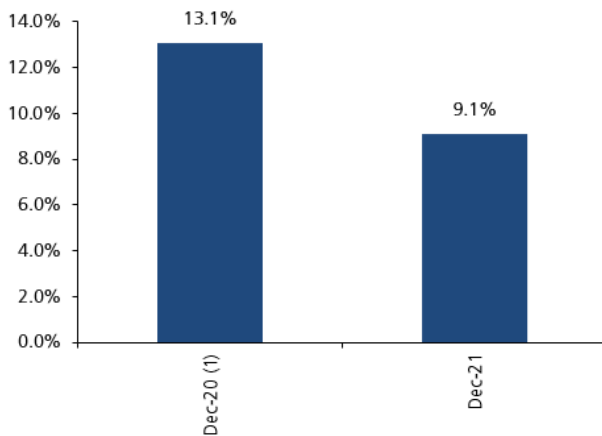
Series A



Series F



Series O



(1) 2020 return is since inception on June 29, 2020



Annual Compound Returns

The following table shows the annual compound total return of each series of the Pool compared to the FTSE Canada Universe Bond Index for the periods shown ended December 31, 2021. All index returns are calculated on a total return basis, meaning that performance was calculated under the assumption that all distributions were reinvested.

	1 Year	Since Inception
Series A ⁽¹⁾ (Inception: July 2, 2020)	7.3%	13.2%
FTSE Canada Universe Bond Index	-2.5%	-1.0%
Series F ⁽¹⁾ (Inception: July 2, 2020)	8.2%	14.1%
FTSE Canada Universe Bond Index	-2.5%	-1.0%
Series O ⁽¹⁾ (Inception: July 2, 2020)	9.1%	15.1%
FTSE Canada Universe Bond Index	-2.5%	-1.0%

(1) The percentage return differs for each series because the management fee rate and expenses differ for each series.

Performance continues to be driven by bottom-up security selection, with energy sector fallen angels such as Occidental Petroleum and Continental Resources leading performance since their purchase following the second quarter 2020 drop in oil prices. Weights have since been notably reduced due to selling on opportunity as the portfolio migrates to higher quality. American Airlines Inc. and Air Canada of the transportation sector have also significantly contributed to performance as outlook and demand for travel improve with positive vaccine news.

The FTSE Canada Universe Bond Index is a broad market indicator of activity for the Canadian fixed income market. It measures the total return of Canadian bonds with terms to maturity greater than one year, and it includes approximately 1,000 federal, provincial, municipal, and corporate bonds rated BBB or higher.



VALUE
PARTNERS
INVESTMENTS

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2021

VPI CORPORATE BOND POOL

Management Fees

The Pool pays an annual management fee on each of its series (excluding Series O) to Value Partners Investments Inc. ("the Manager"). The management fee is calculated daily as a percentage of the net asset value of each series as of the close of business on each business day. In consideration for the management fees, the Manager may pay a percentage sales commission and/or trailing commission to registered dealers or brokers for units bought and held in the Pool depending on which series of units were purchased. The Manager also pays a portion of the management fee to the Portfolio Manager for its services in managing the investment portfolio.

For the period ended December 31, 2021, approximately 38% of the management fee revenues received by the Manager from the Pool were paid to registered dealers and brokers as sales and/or trailing commissions. Since each series may have a different commission structure, this percentage may vary by series. For unitholders eligible for the Management Fee Reduction Program, approximately 11% of the gross management fees were returned to unitholders as management fee rebates. The remainder of the management fee revenue, after payment of fees to the Portfolio Manager for its services, was retained by the Manager for corporate purposes.

Related Party Transactions

Value Partners Investments Inc. is the manager of the Pool and is responsible for the overall business and operations of the Pool. For the period ended December 31, 2021, the Pool paid \$1.5 million in management fees (excluding taxes) to the Manager. In addition, the Manager also held 1 Series A unit, 28,135 Series F units and 1 Series O unit as of December 31, 2021.



VPI CORPORATE BOND POOL

Financial Highlights

The following tables show selected key financial information about each series of the Pool and are intended to help you understand the Pool's financial performance for the past year ended December 31 or since inception to December 31. This information is derived from the Pool's audited annual financial statements and is not intended to be a reconciliation of the net asset value per unit.

The Pool's Net Assets Per Unit (\$) ⁽¹⁾

Series A	December 31 2021	December 31 2020
Net assets, beginning of period⁽⁴⁾	10.78	10.00
Increase (decrease) from operations:		
Total revenue	0.50	0.28
Total expenses	(0.18)	(0.09)
Realized gains (losses) for the period	0.44	0.32
Unrealized gains (losses) for the period	(0.12)	1.04
Total increase (decrease) from operations ⁽²⁾	0.64	1.55
Distributions:		
From net investment income (excluding dividends)	(0.28)	(0.23)
From dividends	-	-
From capital gains	(0.40)	(0.19)
Return of capital	-	-
Total annual distributions ⁽³⁾	(0.68)	(0.42)
Net assets, end of period	10.88	10.78
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Series F	December 31 2021	December 31 2020
Net assets, beginning of period⁽⁴⁾	10.78	10.00
Increase (decrease) from operations:		
Total revenue	0.50	0.28
Total expenses	(0.10)	(0.05)
Realized gains (losses) for the period	0.42	0.30
Unrealized gains (losses) for the period	(0.18)	0.98
Total increase (decrease) from operations ⁽²⁾	0.64	1.51
Distributions:		
From net investment income (excluding dividends)	(0.41)	(0.27)
From dividends	-	-
From capital gains	(0.40)	(0.19)
Return of capital	-	-
Total annual distributions ⁽³⁾	(0.81)	(0.46)
Net assets, end of period	10.84	10.78



Financial Highlights (continued)

Series O	December 31 2021	December 31 2020
Net assets, beginning of period⁽⁴⁾	10.82	10.00
Increase (decrease) from operations:		
Total revenue	0.51	0.29
Total expenses	-	-
Realized gains (losses) for the period	0.48	0.24
Unrealized gains (losses) for the period	(0.03)	0.81
Total increase (decrease) from operations⁽²⁾	0.96	1.33
Distributions:		
From net investment income (excluding dividends)	(0.52)	(0.27)
From dividends	-	-
From capital gains	(0.40)	(0.19)
Return of capital	-	-
Total annual distributions⁽³⁾	(0.92)	(0.46)
Net assets, end of period	10.87	10.82

(1) This information is derived from the Pool's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units of the Pool, or both.

(4) Inception date: June 29, 2020



VPI CORPORATE BOND POOL

Ratios and Supplemental Data

Series A	December 31 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$122,753	\$52,057
Number of units outstanding (000's) ⁽¹⁾	11,280	4,829
Management expense ratio ⁽²⁾	1.64%	1.65%
Management expense ratio before waivers or absorptions	1.64%	1.65%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	43.09%	8.36%
Net asset value per unit ⁽¹⁾	\$10.88	\$10.78

Series F	December 31 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$31,758	\$8,446
Number of units outstanding (000's) ⁽¹⁾	2,931	784
Management expense ratio ⁽²⁾	0.86%	0.90%
Management expense ratio before waivers or absorptions	0.86%	0.90%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	43.09%	8.36%
Net asset value per unit ⁽¹⁾	\$10.84	\$10.78

Series O	December 31 2021	December 31 2020
Total net asset value (000's) ⁽¹⁾	\$271,716	\$248,796
Number of units outstanding (000's) ⁽¹⁾	24,998	22,984
Management expense ratio ⁽²⁾	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.06%	0.07%
Trading expense ratio ⁽³⁾	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	43.09%	8.36%
Net asset value per unit ⁽¹⁾	\$10.87	\$10.82

(1) This information is provided as at the date shown.

(2) Management expense ratio is based on total expenses for the stated period (excluding distributions, commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets during the period. In the period a series is established, the management expense ratio is annualized from the date of inception to December 31.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(4) The Pool's portfolio turnover rate indicates how actively the Pool's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher the Pool's portfolio turnover rate in a year, the greater the trading costs payable by the Pool in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Pool.



VALUE
PARTNERS
INVESTMENTS

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended December 31, 2021

VPI CORPORATE BOND POOL

Other Information

Value Partners Group Inc. (VPGI) owns 100% of Value Partners Investments Inc. (VPI) and LP Financial Planning Services Ltd. (LP Financial), a mutual fund dealer. VPGI is 37.4% owned by Longton Ltd., whose shareholders include specified members of the Lawton family, including Paul and Sean Lawton. Paul Lawton is an officer of VPGI as well as a director and officer of both VPI and LP Financial. Sean Lawton is a director and sales representative of LP Financial.

As of December 31, 2021, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 19.0% and Class C1 shares representing 4.7% of the common equity of VPGI. The remaining common equity of VPGI was held by sales representatives of other dealer firms and employees of VPGI, VPI and LP Financial. No other sales representative held more than 5 percent of the common equity of VPGI. Additional information regarding equity interests may be obtained from the Pool's annual information form or from the Manager's website at <http://www.valuepartnersinvestments.ca>.

Forward-Looking Statements

This report may contain forward-looking statements about the Pool, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Pool action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Pool and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Pool. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Pool has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.