



**VALUE  
PARTNERS**  
INVESTMENTS

## **VPI INCOME POOL**

**ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE  
FOR THE YEAR ENDED DECEMBER 31, 2022**

### **MANAGER**

VALUE PARTNERS INVESTMENTS INC.

### **PORTFOLIO MANAGER**

VALUE PARTNERS INVESTMENTS INC.

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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](http://www.valuepartnersinvestments.ca) or by visiting the SEDAR website at [www.sedar.com](http://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 17, 2023

### Investment Objective and Strategies

The investment objective is to place a strong emphasis on avoiding material or long-term capital losses while investing in securities that provide a reasonable level of income and the potential for long-term capital growth. The Pool invests primarily in fixed income and equity securities that pay income.

The strategy of the Pool is to use a flexible approach to investing in fixed income and equity securities with no geographic restrictions. The Pool will generally invest no less than 25% of its assets in fixed income securities and no less than 25% in equity securities. Allocations between asset classes will be based on economic conditions and/or the Portfolio Manager's assessment of investment opportunities.

For the fixed income component of the portfolio, the Portfolio Manager intends to primarily invest in VPI Corporate Bond Pool (the "Underlying Fund"). The Underlying Fund invests in fixed income securities that include, but are not limited to corporate bonds, convertible bonds, government bonds, loans, notes and other evidences of indebtedness. The Portfolio Manager may also invest directly in other fixed income securities.

### Risk

Overall, the risks associated with investing in the Pool remain as discussed in the prospectus. The Pool continues to be suitable for investors with a low to medium tolerance for risk.

Canadian, American, and international equity markets were more volatile in comparison to 2021, with broad indices posting negative returns for the year driven by rising inflation, interest rates and global economic growth concerns. Economic activity experienced a broad-based slowdown, with inflation higher than it has been over the past few decades. The cost-of-living crisis, tightening financial conditions in many regions, Russia's invasion of Ukraine, and the prevailing COVID-19 pandemic remain concerns and could push the global economy into a recession (global GDP growth is projected to be 2.3% in 2023, according to TD). That said, China's recent news regarding easing of its zero-COVID strategy should serve to brighten the overall outlook.

Central banks continue to increase interest rates in an effort to contain inflationary pressures, which in several countries are at their highest levels since the 1980's.

### Results of Operations

Net assets of the Pool decreased by approximately \$77.6 million for the year ended December 31, 2022. Contributing to this decrease was \$30.9 million of net redemptions, \$8.1 million in distributions paid to unitholders and a \$38.6 million decrease in net assets from operations. The decrease in net assets from operations was due to \$58.4 million of unrealized depreciation in the value of investments and \$11.2 million of management fees and operating expenses. This was offset by \$11.5 million of net realized gains on the sale of investments, \$5.5 million in income distribution from investments, \$13.6 million of dividend income and \$0.4 million of foreign exchange gains on cash.

There were a number of changes made to the Pool's equity holdings during the year. The following table summarizes the businesses that were added and/or removed from the portfolio:

<i>Additions</i>	<i>Dispositions</i>
Comcast	BCE Inc
FedEx	Broadridge Financial Solutions
OpenText	Energy Transfer LP
United Parcel Services	Intel Corp
	J.M. Smucker
	Lockheed Martin
	Symrise



**Results of Operations (continued)**

There were also some notable shifts in the sector allocation of the Pool from the prior year as indicated in the following table:

Sector	Allocation Increase	Sector	Allocation Decrease
Transportation	3.3%	Mutual Fund	2.7%
Communication Services	1.8%	Other Net Assets	1.9%
Cash	1.6%	Materials	1.7%
Media & Entertainment	1.5%	Food, Beverage & Tobacco	1.4%
Pharmaceuticals & Biotechnology	0.6%	Capital Goods	1.3%
Food and Staples Retailing	0.6%	Semiconductors and Equipment	1.0%
Software and Services	0.6%		
Technology Hardware & Equipment	0.6%		

From a geographic standpoint, the most significant changes are shown in the following table:

Country	Allocation Increase	Country	Allocation Decrease
US	2.2%	Canada	2.5%
Japan	0.7%	Germany	1.0%
Italy	0.4%	India	0.2%
Switzerland	0.3%		

Each series of the Pool experienced a loss in the range of -6.5% to -4.6% relative to the -9.9% loss of the Pool's blended index in CAD, which consists of 50% FTSE Canada Universe Bond Index, 20% S&P TSX Total Return Index, 15% S&P 500 Total Return Index, and 15% MSCI EAFE Total Return Index ("the Blended Index").

The Pool's outperformance was primarily due to strong performance in the bond portion of the Pool. However, equity holdings also outperformed on a relative basis during the year, mostly due to holdings within Communication Services, Consumer Discretionary, Consumer Staples, Healthcare, Industrials, and Information Technology.



**Revenues and Expenses**

Revenues of the Pool amounted to \$19.1 million, which can be attributed to a combination of dividend income from its equity holdings and interest income from its fixed income holdings.

The Pool also incurred \$11.2 million in management fees and operating expenses, realized a \$11.5 million gain on the sale of investments and experienced \$58.4 million of unrealized depreciation in the value of its investments. The realized gain on sale of investments of \$11.5 million is attributable to the following dispositions in the portfolio during the year. Dividends and interest received from each of these holdings while in the Pool are in addition to these gains (losses).

<b>Holding</b>	<b>Holding Period</b>	<b>Proceeds (millions \$)</b>	<b>Cost (millions \$)</b>	<b>Realized Gains (Losses) (millions \$)</b>
BCE Inc	1.9 years	9.1	7.3	1.8
Broadridge Financial Solutions	1.9 years	7.0	6.5	0.5
Energy Transfer LP	0.6 years	9.0	8.3	0.7
Intel Corp	2.2 years	4.3	5.8	(1.5)
J.M. Smucker	2.0 years	8.4	7.3	1.1
Lockheed Martin	0.9 years	11.0	7.8	3.2
Symrise	2.2 years	7.5	9.3	(1.8)
Partial Dispositions	n/a	69.2	61.7	7.5
		125.5	114.0	11.5

**Recent Developments**

*Economic Conditions*

It is expected that the Bank of Canada and US Federal Reserve will remain committed to bringing inflation back to target, with an anticipated terminal interest rate in the range of 5.25%-5.5% for the Fed. For consumers, it means that the tightening cycle is potentially nearing its end, with crucial prices paid on credit cards and mortgages not rising as much compared to 2022. However, rates will still be among the highest levels many borrowers have seen in decades. This could result in a significant slowdown in consumer spending and contraction of corporate profit margins, thus impacting the economy and job market.

The Portfolio Manager believes that while caution is warranted at this time due to economic uncertainty, there remain good opportunities available in several industries and geographic regions. The Portfolio Manager continues to seek opportunities that fit the Pool's investment criteria in regions where equity valuations are attractive, long-term growth prospects are strong, and debt levels are reasonable.

As at the time of this report, there remains a degree of risk related to the military conflict between Russia and the Ukraine. The Russian invasion has created significant uncertainty for the markets, interest rates, globalization, and future government spending. As a result of the conflict, some of the Pool's holdings could be negatively impacted. 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.

*Series Name Change*

Series I units of the Pool were formerly known as Series O units and were renamed as Series I units on June 15, 2022. 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.

*Qualification of New Series*

Series O units of the Pool were qualified on June 28, 2022 and are available to investors who have entered into a discretionary investment management account with the Manager.



**VPI INCOME POOL**

**Portfolio Allocation**

Mutual Fund	41.3%	US Equities	17.7%
Offshore Equities	20.4%	Cash	2.0%
Canadian Equities	18.7%	Other Net Assets	-0.1%

**Geographic Allocation**

Canada	60.6%	Italy	1.6%
United States	19.0%	France	1.5%
Japan	5.6%	Great Britain	1.5%
Switzerland	4.4%	India	1.4%
Germany	3.0%	Netherlands	1.4%

**Sector Allocation**

Mutual Fund	41.3%	Capital Goods	3.0%
Banks	7.4%	Telecommunication Services	2.8%
Software and Services	4.8%	Cash	2.0%
Food and Staples Retailing	4.6%	Automobiles and Components	1.9%
Food, Beverage and Tobacco	4.3%	Communication Services:	1.8%
Pharmaceuticals, Biotechnology and Life Sciences	3.4%	Consumer Services	1.5%
Transportation	3.3%	Media and Entertainment	1.5%
Insurance	3.2%	Commercial and Professional Services	1.4%
Health Care Equipment and Services	3.1%	Real Estate	1.3%
Utilities	3.1%	Diversified Financials	1.3%
Technology Hardware and Equipment	3.1%	Other Net Assets	-0.1%

**Top 25 Holdings**

<b>Issuer</b>	<b>Percentage of Net Assets</b>
VPI Corporate Bond Pool - Series I	41.3%
Merck & Co., Inc.	2.0%
Oracle Corp.	1.8%
Rogers Communications Inc., Class B	1.8%
FedEx Corp.	1.7%
Toronto-Dominion Bank	1.7%
Sun Life Financial Inc.	1.6%
Cisco Systems Inc.	1.6%
Seven & I Holdings Co., Ltd.	1.6%
United Parcel Service Inc.	1.6%
Open Text Corp.	1.6%
Royal Bank of Canada	1.6%
UnitedHealth Group Inc.	1.6%
Enel SpA	1.6%
CVS Health Corp.	1.6%
Great-West Lifeco Inc.	1.5%
Comcast Corporation, Class A	1.5%
Deutsche Telekom AG ADR	1.5%
Starbucks Corp.	1.5%
Logitech International S.A.	1.5%
Bank of Montreal	1.5%
3M Company	1.5%
Carrefour S.A.	1.5%
Siemens AG ADR	1.5%
Fortis Inc.	1.5%
<b>Total</b>	<b>79.7%</b>

*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.*

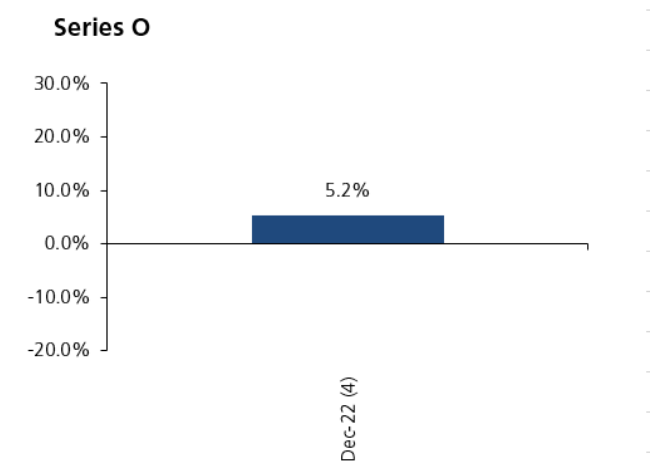
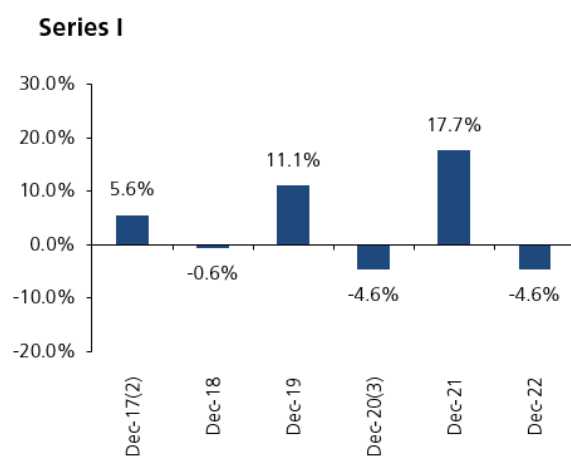
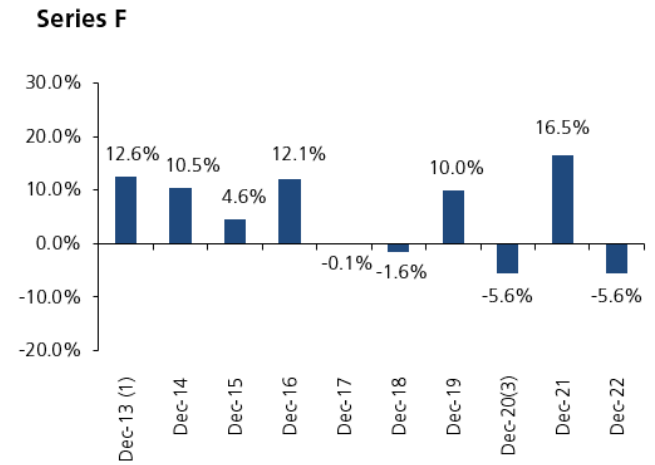
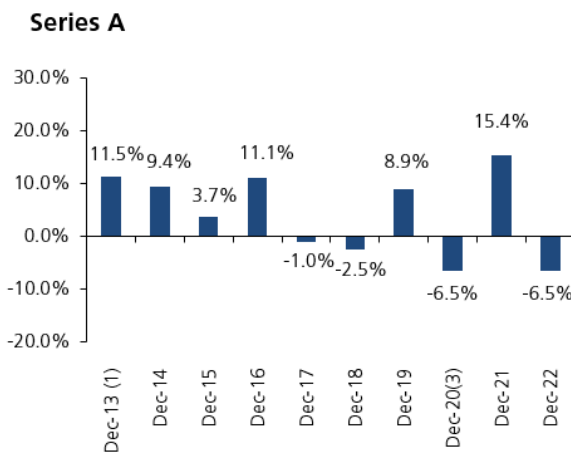


**Past Performance**

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, 2022, and the 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.



- (1) Patient Capital Management Inc. and Canso Investment Counsel Ltd. were appointed as portfolio managers of the Pool on December 1, 2013.
- (2) 2017 return is since inception on July 5, 2017
- (3) Value Partners Investments Inc. assumed portfolio management responsibility for the Pool in June 2020.
- (4) 2022 return is since inception on June 28, 2022



**Annual Compound Returns**

The following table shows the annual compound total return of each series of the Pool compared to the Blended Index for the periods shown ended December 31, 2022. All Index returns are in Canadian dollars and calculated on a total return basis, meaning that performance was calculated under the assumption that all distributions were reinvested.

	10 Year	5 Year	3 Year	1 Year	Since Inception <sup>(2)</sup>
<b>Series A<sup>(1)(3)(4)</sup> (Inception: October 20, 2005)</b>	<b>4.1%</b>	<b>1.4%</b>	<b>0.3%</b>	<b>-6.5%</b>	<b>3.4%</b>
<b>Blended Index</b>	<b>6.1%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>-9.9%</b>	<b>5.6%</b>
S&P/TSX Composite Index	7.8%	6.8%	7.5%	-9.9%	6.9%
S&P 500 Index (CAD\$)	16.1%	11.2%	9.2%	-12.2%	10.0%
FTSE Canada Universe Bond Index	1.6%	0.3%	-2.2%	-11.7%	3.3%
MSCI EAFE Total Return Index (CAD\$)	8.5%	3.6%	2.7%	-8.4%	5.3%
<b>Series F<sup>(1)(3)(4)</sup> (Inception: July 3, 2007)</b>	<b>5.1%</b>	<b>2.4%</b>	<b>1.3%</b>	<b>-5.6%</b>	<b>4.2%</b>
<b>Blended Index</b>	<b>6.1%</b>	<b>3.9%</b>	<b>2.4%</b>	<b>-9.9%</b>	<b>5.1%</b>
S&P/TSX Composite Index	7.8%	6.8%	7.5%	-9.9%	5.2%
S&P 500 Index (CAD\$)	16.1%	11.2%	9.2%	-12.2%	10.0%
FTSE Canada Universe Bond Index	1.6%	0.3%	-2.2%	-11.7%	3.4%
MSCI EAFE Total Return Index (CAD\$)	8.5%	3.6%	2.7%	-8.4%	3.9%
<b>Series I<sup>(1)(3)(4)</sup> (Inception: July 5, 2017)</b>	<b>n/a</b>	<b>3.4%</b>	<b>2.3%</b>	<b>-4.6%</b>	<b>4.2%</b>
<b>Blended Index</b>	<b>n/a</b>	<b>3.9%</b>	<b>2.4%</b>	<b>-9.9%</b>	<b>4.2%</b>
S&P/TSX Composite Index	n/a	6.8%	7.5%	-9.9%	7.7%
S&P 500 Index (CAD\$)	n/a	11.2%	9.2%	-12.2%	11.5%
FTSE Canada Universe Bond Index	n/a	0.3%	-2.2%	-11.7%	0.3%
MSCI EAFE Total Return Index (CAD\$)	n/a	3.6%	2.7%	-8.4%	4.4%
<b>Series O<sup>(1)(3)(5)</sup> (Inception: June 28, 2022)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Blended Index</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P/TSX Composite Index	n/a	n/a	n/a	n/a	n/a
S&P 500 Index (CAD\$)	n/a	n/a	n/a	n/a	n/a
FTSE Canada Universe Bond Index	n/a	n/a	n/a	n/a	n/a
MSCI EAFE Total Return Index (CAD\$)	n/a	n/a	n/a	n/a	n/a

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

(2) The return since inception for each series will differ when the inception date differs.

(3) Patient Capital Management Inc. and Canso Investment Counsel Ltd. were appointed portfolio managers of the Pool on December 1, 2013.

(4) Value Partners Investments Inc. assumed portfolio management responsibility for the Pool in June 2020.

(5) Series O related performance returns are not applicable as Series O has not been in operation for a full year.



### **Annual Compound Returns (continued)**

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. The S&P/TSX Composite Index is a broad market indicator of activity for the Canadian equity market. Size and liquidity are among the key criteria for inclusion in the Index, with size being assessed on a float market capitalization basis and liquidity being measured relative to liquidity thresholds. The S&P 500 Index has been widely regarded as the best single gauge of the large cap U.S. equities market since the Index was first published in 1957. The S&P 500 Index includes 500 leading companies in leading industries of the U.S. economy, capturing approximately 80% coverage of available market capitalization. The MSCI EAFE Index captures large and mid-cap representation across 21 developed markets countries around the world, excluding the US and Canada. With 825 constituents, the MSCI EAFE Index covers approximately 85% of the free float adjusted market capitalization in each country.

### **Management Fees**

The Pool pays an annual management fee on each of its series (excluding Series I and 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. 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 0.15% annually.

For the year ended December 31, 2022, approximately 42% 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 18% 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 year ended December 31, 2022, the Pool paid \$9.0 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 48,789 Series F units and 1 Series O unit of the Pool as of December 31, 2022.





VPI INCOME 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 five years ended 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 (\$) <sup>(1)</sup>**

Series A	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
<b>Net assets, beginning of period</b>	<b>12.07</b>	<b>10.59</b>	<b>11.56</b>	<b>11.04</b>	<b>11.59</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.40	0.59	0.47	0.43	0.38
Total expenses	(0.25)	(0.25)	(0.22)	(0.24)	(0.24)
Realized gains (losses) for the period	0.23	0.48	(1.87)	0.24	0.13
Unrealized gains (losses) for the period	(1.18)	0.82	0.62	0.54	(0.57)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>(0.80)</b>	<b>1.64</b>	<b>1.00</b>	<b>0.97</b>	<b>(0.30)</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.15)	(0.08)	(0.08)	(0.11)	(0.08)
From dividends	(0.12)	(0.07)	(0.13)	(0.11)	(0.07)
From capital gains	-	-	-	(0.23)	(0.11)
Return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.27)</b>	<b>(0.15)</b>	<b>(0.21)</b>	<b>(0.45)</b>	<b>(0.26)</b>
<b>Net assets, end of period</b>	<b>11.15</b>	<b>12.07</b>	<b>10.59</b>	<b>11.56</b>	<b>11.04</b>

Series F	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
<b>Net assets, beginning of period</b>	<b>11.83</b>	<b>10.42</b>	<b>11.42</b>	<b>10.80</b>	<b>11.29</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.39	0.58	0.47	0.42	0.37
Total expenses	(0.14)	(0.14)	(0.12)	(0.13)	(0.13)
Realized gains (losses) for the period	0.24	0.48	(1.92)	0.24	0.13
Unrealized gains (losses) for the period	(1.23)	0.82	0.53	0.52	(0.57)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>(0.74)</b>	<b>1.74</b>	<b>(1.04)</b>	<b>1.05</b>	<b>(0.20)</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.15)	(0.17)	(0.13)	(0.11)	(0.10)
From dividends	(0.12)	(0.13)	(0.20)	(0.11)	(0.11)
From capital gains	-	-	-	(0.23)	(0.11)
Return of capital	-	-	-	-	-
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.28)</b>	<b>(0.30)</b>	<b>(0.33)</b>	<b>(0.45)</b>	<b>(0.32)</b>
<b>Net assets, end of period</b>	<b>10.89</b>	<b>11.83</b>	<b>10.42</b>	<b>11.42</b>	<b>10.80</b>



VPI INCOME POOL

Financial Highlights (continued)

Series I <sup>(4)</sup>	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
<b>Net assets, beginning of period<sup>(4)</sup></b>	<b>10.51</b>	<b>9.38</b>	<b>10.42</b>	<b>9.75</b>	<b>10.16</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.33	0.52	0.43	0.39	0.34
Total expenses	-	(0.02)	(0.02)	(0.01)	(0.01)
Realized gains (losses) for the period	0.20	0.44	(1.74)	0.25	0.09
Unrealized gains (losses) for the period	(0.98)	0.75	1.09	0.62	(0.61)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.45)</b>	<b>1.69</b>	<b>(0.24)</b>	<b>1.25</b>	<b>(0.19)</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.26)	(0.29)	(0.21)	(0.10)	(0.13)
From dividends	(0.20)	(0.21)	(0.31)	(0.10)	(0.12)
From capital gains	-	-	-	(0.21)	(0.10)
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.46)</b>	<b>(0.50)</b>	<b>(0.52)</b>	<b>(0.41)</b>	<b>(0.35)</b>
<b>Net assets, end of period</b>	<b>9.57</b>	<b>10.51</b>	<b>9.38</b>	<b>10.42</b>	<b>9.75</b>

Series O <sup>(5)</sup>	December 31 2022
<b>Net assets, beginning of period<sup>(5)</sup></b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	0.10
Total expenses	-
Realized gains (losses) for the period	0.04
Unrealized gains (losses) for the period	(0.14)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>-</b>
<b>Distributions:</b>	
From net investment income (excluding dividends)	(0.18)
From dividends	(0.11)
From capital gains	-
Return of capital	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.29)</b>
<b>Net assets, end of period</b>	<b>10.23</b>

(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: July 5, 2017.

(5) Inception date: June 28, 2022



**Ratios and Supplemental Data**

<b>Series A</b>	<b>December 31 2022</b>	<b>December 31 2021</b>	<b>December 31 2020</b>	<b>December 31 2019</b>	<b>December 31 2018</b>
Total net asset value (000's) <sup>(1)</sup>	\$458,906	\$520,129	\$515,422	\$705,609	\$649,756
Number of units outstanding (000's) <sup>(1)</sup>	41,172	43,099	48,650	61,017	58,857
Management expense ratio <sup>(2)</sup>	2.00%	2.00%	2.00%	1.97%	1.98%
Management expense ratio before waivers or absorptions	2.00%	2.00%	2.00%	1.97%	1.98%
Trading expense ratio <sup>(3)</sup>	0.02%	0.02%	0.09%	0.01%	0.01%
Portfolio turnover rate <sup>(4)</sup>	23.86%	23.86%	346.15%	72.01%	81.51%
Net asset value per unit <sup>(1)</sup>	\$11.15	\$12.07	\$10.59	\$11.56	\$11.04

<b>Series F</b>	<b>December 31 2022</b>	<b>December 31 2021</b>	<b>December 31 2020</b>	<b>December 31 2019</b>	<b>December 31 2018</b>
Total net asset value (000's) <sup>(1)</sup>	\$52,651	\$66,907	\$73,266	\$115,199	\$105,616
Number of units outstanding (000's) <sup>(1)</sup>	4,833	5,657	7,029	10,089	9,781
Management expense ratio <sup>(2)</sup>	1.05%	1.05%	1.05%	1.04%	1.04%
Management expense ratio before waivers or absorptions	1.05%	1.05%	1.05%	1.04%	1.04%
Trading expense ratio <sup>(3)</sup>	0.02%	0.02%	0.09%	0.01%	0.01%
Portfolio turnover rate <sup>(4)</sup>	23.86%	23.86%	346.15%	72.01%	81.51%
Net asset value per unit <sup>(1)</sup>	\$10.89	\$11.83	\$10.42	\$11.42	\$10.80

<b>Series I</b>	<b>December 31 2022</b>	<b>December 31 2021</b>	<b>December 31 2020</b>	<b>December 31 2019</b>	<b>December 31 2018</b>
Total net asset value (000's) <sup>(1)</sup>	\$15,352	\$17,493	\$19,338	\$23,326	\$9,303
Number of units outstanding (000's) <sup>(1)</sup>	1,605	1,665	2,062	2,239	954
Management expense ratio <sup>(2)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.10%	0.11%	0.11%	0.08%	0.08%
Trading expense ratio <sup>(3)</sup>	0.02%	0.02%	0.09%	0.01%	0.01%
Portfolio turnover rate <sup>(4)</sup>	23.86%	23.86%	346.15%	72.01%	81.51%
Net asset value per unit <sup>(1)</sup>	\$9.57	\$10.51	\$9.38	\$10.42	\$9.75

(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.

Series O has not been included given the only unit issued was held by the Manager as at December 31, 2022. Therefore, there is no applicable information to include in Ratios and Supplemental Data for Series O.



VALUE  
PARTNERS  
INVESTMENTS

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2022

### VPI INCOME 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 and principal distributor of the Pool. VPGI is 40.2% 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, 2022, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 19.7% and Class C1 shares representing 3.5% 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.*