



**VALUE
PARTNERS**
INVESTMENTS

VPI INCOME POOL

**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

VALUE PARTNERS INVESTMENTS INC.

This interim management report of fund performance contains financial highlights but does not contain either interim or annual financial statements of the Pool. If you have not received a copy of the interim financial statements with this interim 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.



Interim Management Discussion of Fund Performance

August 23, 2021

The Interim Management Report of Fund Performance presents management's view of the significant factors and developments affecting the Pool's performance and outlook since December 31, 2020, the Pool's most recent fiscal year-end. This report should be read in conjunction with the Annual Management Report of Fund Performance for the year ended December 31, 2020.

Results of Operations

Net assets of the Pool decreased by approximately \$1.9 million for the six-month period ended June 30, 2021. Contributing to this decrease was \$60.2 million of net redemptions and \$5.1 million of distributions paid to unitholders. This was offset by a \$63.4 million increase in net assets from operations. The increase in net assets from operations was due to a net realized gain on the sale of investments of \$17.0 million, \$41.7 million of unrealized appreciation in value of investments and dividend and interest income of \$10.8 million. This was offset by \$6.1 million of management fees and operating expenses.

The following table summarizes the businesses that were added or removed from the portfolio during the period:

<i>Additions</i>	<i>Dispositions</i>
Loblaws & Co	Organon & Company
Merck & Co	Johnson & Johnson
	Honeywell International
	Enbridge Inc
	TC Energy

The Pool gains exposure to fixed income securities through its investment in units of VPI Corporate Bond Pool (Underlying Fund), a mutual fund managed by the Manager.

As a result of these changes, there were some shifts in the sector allocation of securities from the beginning of the year, the most notable of which are highlighted in the following table:

<i>Sector</i>	<i>Allocation Increase</i>	<i>Sector</i>	<i>Allocation Decrease</i>
Mutual Fund	4.0%	Energy	2.7%
Cash	3.7%	Capital Goods	1.5%
Food and Staples Retailing	3.6%	Food, Beverage & Tobacco	1.3%
Utilities	3.5%	Semiconductors & Equipment	0.8%
Insurance	2.9%	Other Net Assets	0.7%
		Real Estate	0.7%
		Automobiles & Components	0.6%
		Telecommunication Services	0.5%

The portfolio has also changed from a geographic standpoint during the period. The most notable changes are highlighted in the following table:

<i>Country</i>	<i>Allocation Increase</i>	<i>Country</i>	<i>Allocation Decrease</i>
Italy	1.2%	United States of America	1.2%
Canada	0.4%	Japan	0.5%
Germany	0.3%		



Results of Operations (continued)

Each series of the Pool experienced returns in the range of 11.0% to 12.2% for the period as compared to a 6.5% return of the Blended Index (comprised of 50% S&P/TSX Composite Total Return Index and 50% FTSE TMX Universe Bond Index). The equity component of the Pool slightly underperformed the S&P/TSX Composite Total Return Index due to minimal exposure to the Canadian energy sector and being relatively underweight to the Canadian financials sector. The Pool's holdings in the consumer staples sector were the greatest sector contributors to positive relative performance.

The fixed income holdings outperformed the FTSE TMX Universe Bond Index as the Underlying Fund had a higher weight to high yield bonds and a lower duration than the index which increased relative fixed income performance during the first half of 2021 as interest rates rose. During the period, the Pool's asset mix ranged from approximately 40-45% fixed income and 55-60% equities.

Revenues and Expenses

Revenues of the Pool amounted to \$10.8 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 \$6.1 million in management fees and operating expenses.

The realized gain on sale of investments of \$17.0 million is attributable to five full dispositions as well as partial dispositions of shares from the portfolio during the period.

Holding	Approximate Holding Period	Proceeds (millions)	Cost (millions)	Realized Gain/(Loss) (millions)
Organon & Company ¹	0.1 years	\$ 0.2	\$ 0.3	\$ (0.1)
Johnson & Johnson	0.9 years	\$ 9.6	\$ 9.0	\$ 0.6
Honeywell International	0.9 years	\$ 8.6	\$ 5.9	\$ 2.7
Enbridge Inc	0.6 years	\$ 8.8	\$ 8.5	\$ 0.3
TC Energy	0.6 years	\$ 8.9	\$ 9.7	\$ (0.8)
Partial Dispositions	n/a	\$ 69.1	\$ 54.8	\$ 14.3
		\$ 105.2	\$ 88.2	\$ 17.0

¹ Shares were received by the Pool in June 2021 following a spin-off by Merck & Co.

Recent Developments

Economic Conditions

The World Health Organization declared a global pandemic on March 11, 2020 and subsequently announced the first emergency use validation for a vaccine on December 31, 2020. Monetary and fiscal policies around the world helped support economies during this pandemic as economic activity suffered and unemployment rose. Several vaccines are in use around the world and are generally proving effective at minimizing the negative effects of the virus and its variants. Economic outlooks have improved as a result of the vaccine's effectiveness and the monetary and fiscal policies that continue to be very stimulative for economic growth. Gross Domestic Product in Canada and the United States is expected to exceed pre-pandemic levels by the end of 2021.

Market valuations are above average relative to historic levels as security prices have increased faster than the fundamental growth of the businesses and interest rates remain near historical lows. As economic growth continues, rising inflation may cause interest rates to trend higher, potentially impacting market valuations. The Portfolio Manager believes there are good opportunities available in several industries; however, caution is essential given volatile economic and market conditions as well as escalating valuation risks. The Portfolio Manager continues to seek opportunities that meet the Pool's investment criteria.

The Portfolio Manager views long-term government bonds as risky in today's environment. With global interest rates at all-time lows, the risk of capital loss in fixed income markets is quite high. In addition, investors are not being appropriately compensated for taking credit risk as interest rates on non-investment grade bonds are at very low levels.



Portfolio Allocation

Mutual Fund	43.9%	US Equities	14.4%
Offshore Equities	20.3%	Cash	3.1%
Canadian Equities	18.4%	Other Net Assets	-0.1%

Geographic Allocation

Canada	62.4%	Great Britain	1.6%
United States	16.9%	India	1.6%
Germany	4.9%	France	1.4%
Switzerland	4.5%	Netherlands	1.4%
Japan	4.1%	Italy	1.2%

Sector Allocation

Mutual Fund	43.9%	Utilities	2.6%
Banks	7.8%	Automobiles and Components	2.2%
Telecommunication Services	5.8%	Materials	1.6%
Food and Staples Retailing	5.6%	Real Estate	1.5%
Software and Services	4.3%	Commercial & Professional Services	1.4%
Cash	3.1%	Diversified Financials	1.3%
Technology Hardware and Equipment	3.0%	Retailing	1.3%
Food, Beverage and Tobacco	2.9%	Consumer Services	1.3%
Pharmaceuticals, Biotech and Life Sciences	2.8%	Capital Goods	1.3%
Insurance	2.8%	Semiconductors & Equipment	0.9%
Health Care Equipment and Services	2.7%	Other Net Assets	-0.1%

Top 25 Holdings

Issuer	Percentage of Net Assets
VPI Corporate Bond Pool, Series O	43.9%
Cash	3.1%
Seven & I Holdings Co., Ltd.	3.0%
Canadian Imperial Bank of Commerce	1.6%
Rogers Communications Inc., Class B	1.6%
Royal Bank of Canada	1.6%
Symrise AG	1.6%
The Toronto-Dominion Bank	1.6%
Diageo plc	1.6%
Deutsche Telekom AG	1.6%
Infosys Limited	1.6%
Firm Capital Property Trust	1.5%
The Bank of Nova Scotia	1.5%
Logitech International S.A.	1.5%
Honda Motor Co., Ltd.	1.5%
Roche Holding AG	1.5%
Cisco Systems, Inc.	1.5%
Sun Life Financial Inc.	1.4%
Wolters Kluwer N.V.	1.4%
Carrefour SA	1.4%
Bank of Montreal	1.4%
Broadridge Financial Solutions, Inc.	1.4%
BCE Inc.	1.4%
CVS Health Corporation	1.4%
Fortis Inc.	1.4%
Total	83.0%

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.



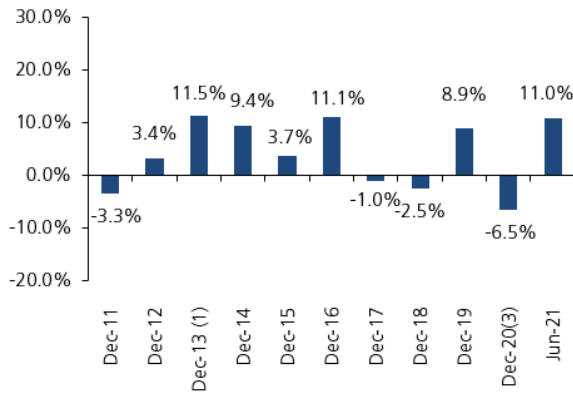
Past Performance

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.

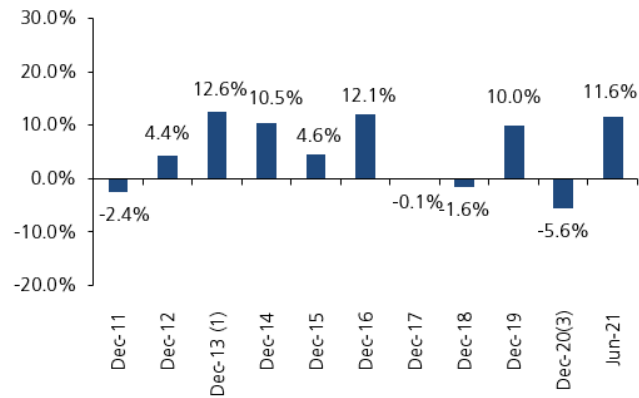
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2021, 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.

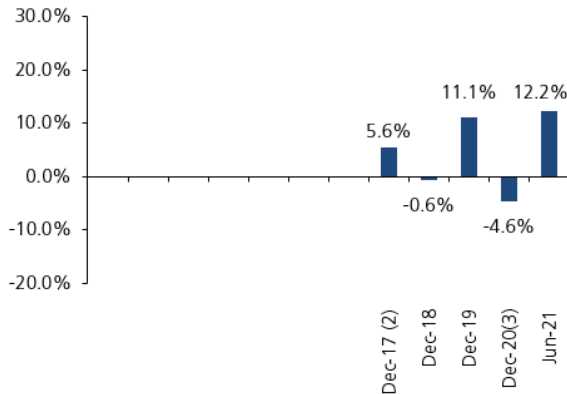
Series A



Series F



Series O



- (1) Patient Capital Management Inc. and Canso Investment Counsel Ltd. were appointed 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.



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 Managers for their services in managing the investment portfolio.

For the six-months ended June 30, 2021, 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 17% 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 six-month period ended June 30, 2021, the Pool paid \$4.9 million in management fees (excluding taxes) to the Manager. In addition, the parent company of the Manager also held 46,621 Series F units of the Pool as of June 30, 2021.

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 and the six-month period ended June 30, 2021. *This information is derived from the Pool’s audited annual financial statements and interim unaudited 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	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net assets, beginning of period	10.59	11.56	11.04	11.59	12.10	11.23
Increase (decrease) from operations:						
Total revenue	0.20	0.47	0.43	0.38	0.42	0.54
Total expenses	(0.12)	(0.22)	(0.24)	(0.24)	(0.24)	(0.24)
Realized gains (losses) for the period	0.32	(1.87)	0.24	0.13	0.23	0.18
Unrealized gains (losses) for the period	0.77	0.62	0.54	(0.57)	(0.52)	0.79
Total increase (decrease) from operations ⁽²⁾	1.17	1.00	0.97	(0.30)	(0.11)	1.27
Distributions:						
From net investment income (excluding dividends)	(0.05)	(0.08)	(0.11)	(0.08)	(0.12)	(0.23)
From dividends	(0.04)	(0.13)	(0.11)	(0.07)	(0.07)	(0.07)
From capital gains	-	-	(0.23)	(0.11)	(0.20)	(0.06)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.09)	(0.21)	(0.45)	(0.26)	(0.39)	(0.36)
Net assets, end of period	11.68	10.59	11.56	11.04	11.59	12.10



Financial Highlights (continued)

Series F	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Net assets, beginning of period	10.42	11.42	10.80	11.29	11.82	11.01
Increase (decrease) from operations:						
Total revenue	0.20	0.47	0.42	0.37	0.41	0.53
Total expenses	(0.07)	(0.12)	(0.13)	(0.13)	(0.13)	(0.13)
Realized gains (losses) for the period	0.31	(1.92)	0.24	0.13	0.23	0.16
Unrealized gains (losses) for the period	0.76	0.53	0.52	(0.57)	(0.48)	0.82
Total increase (decrease) from operations ⁽²⁾	1.20	(1.04)	1.05	(0.20)	0.03	1.38
Distributions:						
From net investment income (excluding dividends)	(0.08)	(0.13)	(0.11)	(0.10)	(0.20)	(0.33)
From dividends	(0.07)	(0.20)	(0.11)	(0.11)	(0.11)	(0.10)
From capital gains	-	-	(0.23)	(0.11)	(0.20)	(0.06)
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.15)	(0.33)	(0.45)	(0.32)	(0.52)	(0.49)
Net assets, end of period	11.48	10.42	11.42	10.80	11.29	11.82

Series O ⁽⁴⁾	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	9.38	10.42	9.75	10.16	10.00
Increase (decrease) from operations:					
Total revenue	0.19	0.43	0.39	0.34	0.31
Total expenses	(0.01)	(0.02)	(0.01)	(0.01)	(0.03)
Realized gains (losses) for the period	0.28	(1.74)	0.25	0.09	(0.37)
Unrealized gains (losses) for the period	0.68	1.09	0.62	(0.61)	(0.04)
Total increase (decrease) from operations ⁽²⁾	1.14	(0.24)	1.25	(0.19)	(0.13)
Distributions:					
From net investment income (excluding dividends)	(0.11)	(0.21)	(0.10)	(0.13)	(0.13)
From dividends	(0.10)	(0.31)	(0.10)	(0.12)	(0.08)
From capital gains	-	-	(0.21)	(0.10)	(0.19)
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.21)	(0.52)	(0.41)	(0.35)	(0.40)
Net assets, end of period	10.30	9.38	10.42	9.75	10.16

(1) This information is derived from the Pool's audited annual financial statements and from the interim unaudited financial statements for the current period ended June 30, 2021.

(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.



Ratios and Supplemental Data

Series A	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total net asset value (000's) ⁽¹⁾	\$522,953	\$515,422	\$705,609	\$649,756	\$636,699	\$542,008
Number of units outstanding (000's) ⁽¹⁾	44,791	48,650	61,017	58,857	54,941	44,800
Management expense ratio ⁽²⁾	2.01%	2.00%	1.97%	1.98%	1.98%	1.98%
Management expense ratio before waivers or absorptions	2.01%	2.00%	1.97%	1.98%	1.98%	1.98%
Trading expense ratio ⁽³⁾	0.03%	0.09%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	12.48%	346.15%	72.01%	81.51%	38.15%	43.82%
Net asset value per unit ⁽¹⁾	\$11.68	\$10.59	\$11.56	\$11.04	\$11.59	\$12.10

Series F	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017	December 31 2016
Total net asset value (000's) ⁽¹⁾	\$66,252	\$73,266	\$115,199	\$105,616	\$100,341	\$71,718
Number of units outstanding (000's) ⁽¹⁾	5,772	7,029	10,089	9,781	8,885	6,066
Management expense ratio ⁽²⁾	1.06%	1.05%	1.04%	1.04%	1.03%	1.03%
Management expense ratio before waivers or absorptions	1.06%	1.05%	1.04%	1.04%	1.03%	1.03%
Trading expense ratio ⁽³⁾	0.03%	0.09%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	12.48%	346.15%	72.01%	81.51%	38.15%	43.82%
Net asset value per unit ⁽¹⁾	\$11.48	\$10.42	\$11.42	\$10.80	\$11.29	\$11.82

Series O	June 30 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$16,954	\$19,338	\$23,326	\$9,303	\$2,176
Number of units outstanding (000's) ⁽¹⁾	1,646	2,062	2,239	954	214
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.12%	0.11%	0.08%	0.08%	0.10%
Trading expense ratio ⁽³⁾	0.03%	0.09%	0.01%	0.01%	0.01%
Portfolio turnover rate ⁽⁴⁾	12.48%	346.15%	72.01%	81.51%	38.15%
Net asset value per unit ⁽¹⁾	\$10.30	\$9.38	\$10.42	\$9.75	\$10.16

(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
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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2021

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), formerly Lawton Partners Financial Planning Services Limited, a mutual fund dealer and principal distributor of the Pool. 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 June 30, 2021, sales representatives of LP Financial held, in aggregate, Class A1 shares representing 18.8% and Class C1 shares representing 5.1% 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.