



VPI VALUE POOL

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

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

VALUE PARTNERS INVESTMENTS INC.

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 Value Pool’s objective is to provide unitholders with long-term growth while preserving capital. The Portfolio Manager seeks to achieve the objectives of the Pool by investing in a diversified, but concentrated, portfolio of North American and International-based equity securities.

The Portfolio Manager emphasizes searching for companies that have several key characteristics, the most critical of which include:

- (i) a sustainable competitive advantage;
- (ii) a repeatable “subscription-like” revenue stream;
- (iii) a large and growing free cash flow;
- (iv) a talented, hardworking, and ethical management team working on behalf of all shareholders; and
- (v) less sensitivity to macroeconomic changes.

In the absence of opportunities that meet its criteria, the Portfolio Manager may hold significant cash or short-term debt securities until appropriate investment opportunities become available.

Risk

In January 2022, the Manager announced that the Pool will be closed on or about March 31, 2022. In anticipation of unitholder redemptions and to protect investor capital up until the date of closure, the Portfolio Manager has liquidated the Pool’s holdings to cash. See *Recent Developments* for further details.

Results of Operations

Net assets of the Pool decreased by approximately \$4.4 million for the year ended December 31, 2021. This decrease consisted of \$10.9 million of net redemptions, offset by a \$6.5 million increase in net assets from operations. The increase in net assets from operations can be attributed to \$2.6 million of net realized gains on the sale of investments during the year, \$4.6 million of unrealized appreciation in the value of investments and \$0.6 million of dividend income. This was offset by \$1.2 million in management fees and operating expenses and a \$0.1 million foreign exchange loss on cash.

There were four additions made to the Pool’s equity holdings during the year. The following table summarizes the businesses that were added to the portfolio:

<i>Additions</i>	<i>Dispositions</i>
Alimentation Couche-Tard Inc.	None
Altria Group, Inc.	
Philip Morris International Inc.	
Swedish Match AB (publ)	

As a result, there were shifts in the portfolio allocation from the prior year as indicated in the following table:

<i>Sector</i>	<i>Allocation Increase</i>	<i>Sector</i>	<i>Allocation Decrease</i>
Food, Beverage and Tobacco	13.5%	Cash	14.2%
Food and Staples Retailing	5.5%	Retailing	4.3%
Insurance	1.4%	Diversified Financials	2.0%
Consumer Services	0.7%	Telecommunication Services	1.2%
Media & Entertainment	0.6%		



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Results of Operations (continued)

The Pool provided returns in the range of 11.7% to 14.3% which was below the 27.6% return of the S&P 500 Total Return Index (C\$). The index continued to benefit from the rise in the small number of very large, overvalued stocks mentioned above. The Value Pool was positively impacted by Alphabet and Berkshire Hathaway. The main detractor to performance was the large cash position of approximately 30%.

Trading activity in the Pool was limited during the year, with four new companies being added to the portfolio: three in the tobacco industry and one Canadian company. The tobacco additions included Philip Morris International, Altria and Swedish Match. All three are dominant players in their field and generate large amounts of growing free cash flow. They were purchased at what the portfolio manager believes to be value prices. The Canadian company was Alimentation Couche-Tard Inc., a world leader in the convenience store industry.

Revenues and Expenses

Revenues of the Pool amounted to \$0.6 million, representing dividend income from its holdings. The Pool also experienced \$2.6 million of realized gains on the sale of its investments and \$4.6 million in unrealized appreciation in the value of its investments during the year offset by \$1.2 million in management fees and operating expenses and a \$0.1 million foreign exchange loss on cash.

The realized gains on sale of investments of \$2.6 million is attributable to partial dispositions of shares from the portfolio during the year.

Holding	Approximate Holding Period	Proceeds (millions \$)	Cost (millions \$)	Realized Gain (millions \$)
Partial Dispositions	n/a	14.1	11.5	2.6
		14.1	11.5	2.6

Recent Developments

Closure of VPI Value Pool

On January 27, 2022, the Manager announced that the Pool will be closed on or about March 31, 2022. The decision to close the Pool was due to the forthcoming departure of key members of the portfolio management team coupled with the ongoing challenges faced by the Pool's specific mandate in the current investing environment. Units of the Pool were no longer available for purchase and pre-authorized payments plans were stopped as of the announcement date and a notice was sent to each investor in the Pool to notify them of the closure.



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Portfolio Allocation

US Equities	48.7%	Canadian Equities	11.1%
Cash	28.6%	Other Net Assets	-0.3%
Offshore Equities	11.9%		

Sector Allocation

Cash	28.6%	Diversified Financials	9.2%
Media and Entertainment	19.9%	Consumer Services	7.4%
Food, Beverage and Tobacco	13.5%	Telecommunication Services	6.1%
Insurance	10.1%	Food and Staples Retailing	5.5%
		Other Net Assets	-0.3%

Top 25 Holdings

Issuer	Percentage of Net Assets
Cash	28.6%
Berkshire Hathaway Inc., Class B	9.2%
Alphabet Inc., Class A	7.6%
Domino's Pizza Group plc	7.4%
The Liberty SiriusXM Group, Class A	6.8%
T-Mobile US, Inc.	6.1%
Fairfax Financial Holdings Limited	5.6%
Liberty Broadband Corporation	5.6%
Alimentation Couche-Tard Inc.	5.5%
Philip Morris International Inc.	4.5%
Swedish Match AB (publ)	4.5%
Markel Corporation	4.5%
Altria Group, Inc.	4.4%
Other Net Assets	-0.3%
Total	100.0%

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.



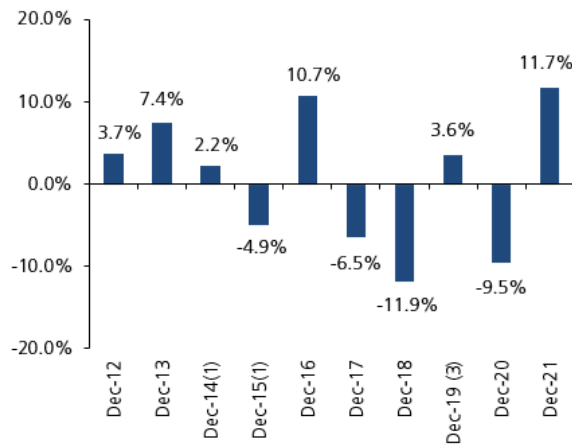
Past Performance

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.

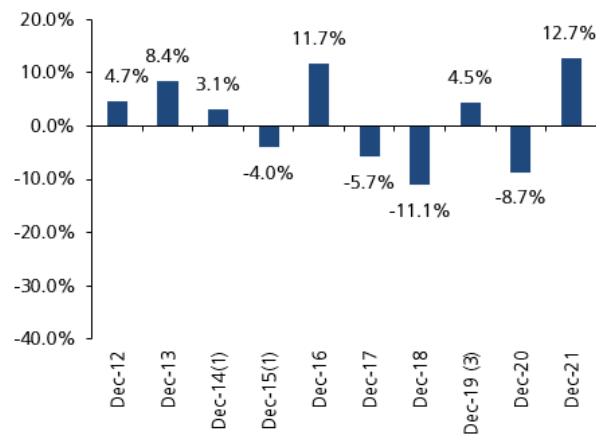
Year-by-Year Return

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.

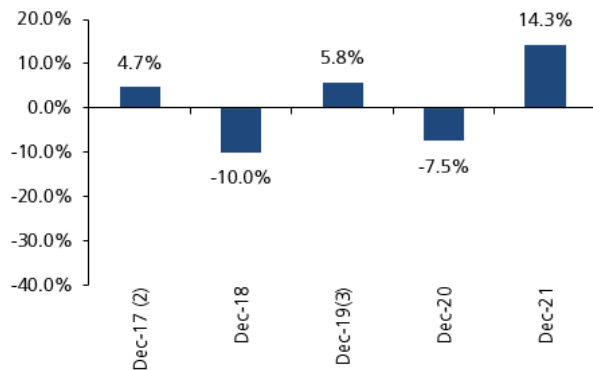
Series A



Series F



Series O



(1) The Pool was capped to new investments from June 30, 2014 to November 2, 2015.

(2) 2017 return since inception on July 5, 2017.

(3) Value Partners Investments Inc. assumed portfolio management responsibilities of the Pool on November 6, 2019.



Annual Compound Returns

The following table shows the annual compound total return of each series of the Pool compared to the S&P/TSX Composite Index and the S&P 500 Index in Canadian dollar terms 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.

	10 Year	5 Year	3 Year	1 Year	Since Inception ⁽⁴⁾
Series A ⁽¹⁾⁽²⁾⁽³⁾ (Inception: October 1, 2007)	0.3%	-2.9%	1.5%	11.7%	-0.4%
S&P/TSX Composite Index	9.2%	10.0%	17.5%	25.1%	7.7%
S&P 500 Index (C\$)	19.1%	17.1%	22.8%	27.6%	12.4%
Series F ⁽¹⁾⁽²⁾⁽³⁾ (Inception: October 1, 2007)	1.2%	-2.0%	2.5%	12.7%	0.5%
S&P/TSX Composite Index	9.2%	10.0%	17.5%	25.1%	7.7%
S&P 500 Index (C\$)	19.1%	17.1%	22.8%	27.6%	12.4%
Series O ⁽¹⁾⁽²⁾⁽³⁾ (Inception: July 5, 2017)	n/a	n/a	3.8%	14.3%	1.2%
S&P/TSX Composite Index	n/a	n/a	17.5%	25.1%	11.0%
S&P 500 Index (C\$)	n/a	n/a	22.8%	27.6%	17.6%

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
(2) The Pool was capped to new investments from June 30, 2014 to November 2, 2015.
(3) Value Partners Investments assumed the role of portfolio manager of the Pool on November 6, 2019.
(4) The return since inception for each series will differ when the inception date differs.

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 index includes 500 leading companies in leading industries of the U.S. economy, capturing approximately 80% coverage of available market capitalization.

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 year ended December 31, 2021, approximately 37% 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 12% 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, 2021, the Pool paid \$0.9 million in management fees (excluding taxes) to the Manager.

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 (\$) ⁽¹⁾

Series A	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period	7.79	8.62	8.43	9.60	10.28
Increase (decrease) from operations:					
Total revenue	0.06	-	0.23	0.19	0.14
Total expenses	(0.19)	(0.19)	(0.21)	(0.20)	(0.20)
Realized gains for the period	0.38	(0.78)	(1.70)	0.04	0.08
Unrealized gains (losses) for the period	0.68	0.19	2.02	(1.09)	(0.72)
Total increase (decrease) from operations ⁽²⁾	0.93	(0.78)	0.34	(1.06)	(0.70)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.11)	-	-
From capital gains	-	-	-	(0.04)	-
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.11)	(0.04)	-
Net assets, end of period	8.71	7.79	8.62	8.43	9.60



Financial Highlights (continued)

Series F	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period	8.41	9.21	9.04	10.22	10.83
Increase (decrease) from operations:					
Total revenue	0.08	-	0.25	0.20	0.15
Total expenses	(0.13)	(0.12)	(0.14)	(0.12)	(0.12)
Realized gains for the period	0.40	(0.84)	(1.80)	0.05	0.06
Unrealized gains (losses) for the period	0.72	0.14	2.12	(1.19)	(0.72)
Total increase (decrease) from operations ⁽²⁾	1.07	(0.82)	0.43	(1.06)	(0.63)
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.24)	-	-
From capital gains	-	-	-	(0.05)	-
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.24)	(0.05)	-
Net assets, end of period	9.48	8.41	9.21	9.04	10.22

Series O ⁽⁴⁾	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Net assets, beginning of period⁽⁴⁾	8.17	9.60	9.36	10.47	10.00
Increase (decrease) from operations:					
Total revenue	0.09	0.02	0.25	0.22	0.35
Total expenses	-	-	-	-	-
Realized gains for the period	0.44	(1.00)	(0.15)	0.05	-
Unrealized gains (losses) for the period	0.83	(0.02)	1.40	(1.40)	(0.06)
Total increase (decrease) from operations ⁽²⁾	1.36	(1.00)	1.50	(1.13)	0.29
Distributions:					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.81)	-	-
From capital gains	-	-	-	(0.06)	-
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	(0.81)	(0.06)	-
Net assets, end of period	9.23	8.17	9.60	9.36	10.47

(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



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Ratios and Supplemental Data

Series A	December 31 2020	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$34,484	\$42,225	\$61,583	\$91,514	\$138,250
Number of units outstanding (000's) ⁽¹⁾	3,960	5,418	7,147	10,860	14,394
Management expense ratio ⁽²⁾	2.25%	2.25%	2.14%	2.10%	2.06%
Management expense ratio before waivers or absorptions	2.34%	2.25%	2.14%	2.10%	2.06%
Trading expense ratio ⁽³⁾	0.02%	0.12%	0.12%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	32.30%	68.30%	90.40%	2.91%	2.54%
Net asset value per unit ⁽¹⁾	\$8.71	\$7.79	\$8.62	\$8.43	\$9.60

Series F	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$20,711	\$17,606	\$20,939	\$25,413	\$38,060
Number of units outstanding (000's) ⁽¹⁾	2,185	2,094	2,274	2,811	3,724
Management expense ratio ⁽²⁾	1.35%	1.33%	1.23%	1.19%	1.14%
Management expense ratio before waivers or absorptions	1.41%	1.33%	1.23%	1.19%	1.14%
Trading expense ratio ⁽³⁾	0.02%	0.12%	0.12%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	32.30%	68.3%	90.40%	2.91%	2.54%
Net asset value per unit ⁽¹⁾	\$9.48	\$8.41	\$9.21	\$9.04	\$10.22

Series O	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017
Total net asset value (000's) ⁽¹⁾	\$314	\$49	\$48	\$1,864	\$785
Number of units outstanding (000's) ⁽¹⁾	33	6	5	199	75
Management expense ratio ⁽²⁾	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.38%	0.35%	0.29%	0.20%	0.16%
Trading expense ratio ⁽³⁾	0.02%	0.12%	0.12%	0.00%	0.00%
Portfolio turnover rate ⁽⁴⁾	32.30%	68.30%	90.40%	2.91%	2.54%
Net asset value per unit ⁽¹⁾	\$9.23	\$8.17	\$9.60	\$9.36	\$10.47

(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.



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.