VPI CORPORATE BOND POOL

ANNUAL FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024 AND 2023

MANAGER
VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER
CANSO INVESTMENT COUNSEL LTD.

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by the management of Value Partners Investments Inc. (Value Partners), the Manager of the Value Partners Pools (the Pools), and approved by the Board of Directors of Value Partners.

Management is responsible for the information and representations contained in these financial statements. The Board of Directors of Value Partners is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities. The Board of Directors will also review the adequacy of internal controls, the audit process and financial reporting with management and the external auditor.

Value Partners maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The material accounting policies which management believes are appropriate for the Pools, are described in note 3 of the financial statements.

KPMG LLP is the external auditor of the Pools. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out below.

On behalf of Value Partners Investments Inc.

Manager of the Pools

DocuSigned by:
F66D08189AF642A...
Paul Lawton
Chief Operating Officer and Secretary

Signed by:
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Dean Bjarnarson
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of VPI Corporate Bond Pool

Opinion

We have audited the financial statements of VPI Corporate Bond Pool (the Entity), which comprise:

- the statements of financial position as at December 31, 2024 and December 31, 2023
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***Auditor's Responsibilities for the Audit of the Financial Statements*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

March 13, 2025

VPI CORPORATE BOND POOL

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

As at	December 31, 2024	December 31, 2023
Assets		
Financial assets at fair value through profit or loss (note 8)	$ 630,880	$ 522,921
Cash and cash equivalents	1,882	658
Unrealized gain on foreign currency forward contract	–	3,595
Accrued dividends receivable	10	3
Accrued interest receivable for distribution purposes	5,125	4,642
Due from Manager (note 5)	–	1
Subscriptions receivable	3,425	2,390
Due from broker	–	298
	$ 641,322	$ 534,508
Liabilities		
Accounts payable and accrued liabilities	$ 90	$ 68
Redemptions payable	231	165
Management fees payable (notes 4 and 5)	367	247
Unrealized loss on foreign currency forward contract	2,702	101
Distributions payable	2,190	2,184
Due to broker	855	–
	6,435	2,765
Net assets attributable to holders of redeemable units	$ 634,887	$ 531,743
Net assets attributable to holders of redeemable units per series:		
Series A	$ 219,802	$ 171,608
Series F	74,766	46,109
Series I	295,845	297,442
Series O	44,474	16,584
Net assets attributable to holders of redeemable units per unit:		
Series A	$ 10.76	$ 10.41
Series F	10.53	10.26
Series I	10.51	10.25
Series O	10.50	10.24
Series P (note 1)	10.45	–
Number of redeemable units outstanding:		
Series A	20,437	16,485
Series F	7,098	4,496
Series I	28,150	29,024
Series O	4,236	1,619

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

VPI CORPORATE BOND POOL

Statements of Comprehensive Income
(In thousands of dollars, except for per unit amounts)

Years ended December 31, 2024, and December 31, 2023

	2024	2023
Income:		
Interest income for distribution purposes	$ 27,079	$ 25,168
Dividend income	56	37
Foreign exchange (loss) gain on cash	47	(31)
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on sale of investments	5,946	7,025
Net realized loss on foreign currency forward contracts	(6,284)	(593)
Change in unrealized appreciation in value of investments	22,906	8,588
Change in unrealized appreciation (depreciation) in currency forward contracts	(6,196)	3,406
	43,554	43,600
Expenses:		
Administration	165	143
Audit fees	21	15
Independent review committee fees	5	8
Security holder reporting costs	154	115
Custodian fees	26	20
Filing fees	34	25
Legal fees	9	6
Management fees (notes 4 and 5)	3,656	2,792
Registered plan fees	5	4
Trustee fees	7	5
Withholding Taxes	1	246
	4,083	3,379
Absorbed expenses (notes 4 and 5)	(135)	(139)
	3,948	3,240
Increase in net assets attributable to holders of redeemable units	$ 39,606	$ 40,360
Increase in net assets attributable to holders of redeemable units per series:		
Series A	$ 11,289	$ 11,430
Series F	4,090	3,459
Series I	21,930	24,747
Series O	2,297	724
Increase in net assets attributable to holders of redeemable units per unit:		
Series A	$ 0.62	$ 0.76
Series F	0.70	0.83
Series I	0.77	0.90
Series O	0.77	0.88

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

VPI CORPORATE BOND POOL

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

Years ended December 31, 2024 and December 31, 2023

	Series A		Series F		Series I		Series O		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net assets attributable to holders of redeemable units, beginning of year	$ 171,608	$ 132,649	$ 46,109	$ 37,039	$ 297,442	$ 229,067	$ 16,584	$ 162	$ 531,743	$ 398,917
Increase in net assets attributable to holders of redeemable units	11,289	11,430	4,090	3,459	21,930	24,747	2,297	724	39,606	40,360
Redeemable unit transactions:										
Proceeds from redeemable units issued	76,096	61,158	34,859	11,413	16,283	56,741	31,034	17,702	158,272	147,014
Reinvestment of distributions to holders of redeemable units	5,192	4,957	2,376	1,703	14,713	14,528	1,506	164	23,787	21,352
Redemption of redeemable units	(39,516)	(33,871)	(10,239)	(5,634)	(39,802)	(12,193)	(5,441)	(1,688)	(94,998)	(53,386)
	41,772	32,244	26,996	7,482	(8,806)	59,076	27,099	16,178	87,061	114,980
Distributions to holders of redeemable shares:										
Net investment income	(4,867)	(4,715)	(2,429)	(1,871)	(14,721)	(15,448)	(1,506)	(480)	(23,523)	(22,514)
Total distributions paid to holders of redeemable units	(4,867)	(4,715)	(2,429)	(1,871)	(14,721)	(15,448)	(1,506)	(480)	(23,523)	(22,514)
Net increase (decrease) in net assets attributable to holders of redeemable units	48,194	38,959	28,657	9,070	(1,597)	68,375	27,890	16,422	103,144	132,826
Net assets attributable to holders of redeemable units, end of year	$ 219,802	$ 171,608	$ 74,766	$ 46,109	$ 295,845	$ 297,442	$ 44,474	$ 16,584	$ 634,887	$ 531,743
Increase (decrease) in redeemable units outstanding:										
Beginning of year	16,485	13,313	4,496	3,752	29,024	23,167	1,619	16	51,624	40,248
Issued	7,205	6,009	3,361	1,134	1,561	5,625	2,996	1,755	15,123	14,523
Issued on reinvestment of distributions	492	487	229	169	1,419	1,441	145	16	2,284	2,113
Redeemed	(3,745)	(3,324)	(988)	(559)	(3,854)	(1,209)	(524)	(168)	(9,111)	(5,260)
Redeemable units outstanding, end of year	20,437	16,485	7,098	4,496	28,150	29,024	4,236	1,619	59,921	51,624
Weighted average units outstanding, during the year	18,234	15,131	5,842	4,179	28,414	27,528	2,996	822		

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

VPI CORPORATE BOND POOL

Statements of Cash Flows
(In thousands of dollars)

Years ended December 31, 2024, and December 31, 2023

	2024	2023
Cash flows from (used in) operating activities:		
Increase in net assets attributable to holders of redeemable units	$ 39,606	$ 40,360
Adjustments for:		
Foreign exchange loss (gain) on cash	(47)	31
Net realized gain on sale of investments	(5,946)	(7,025)
Change in unrealized appreciation in value of investments	(22,906)	(8,588)
Change in unrealized depreciation (appreciation) in foreign currency forward contracts	6,196	(3,406)
Purchases of investments	(436,073)	(316,994)
Proceeds from sale of investments	356,966	200,419
Dividends receivable	(7)	–
Interest receivable for distribution purposes	(483)	(389)
Due from Manager	1	6
Due from broker	298	(298)
Due to broker	855	(969)
Accounts payable and accrued liabilities	22	4
Management fees payable	120	50
Net cash used in operating activities	(61,398)	(96,799)
Cash flows from (used in) financing activities:		
Distributions paid to holders of redeemable units, net of reinvested distributions	270	(465)
Proceeds from redeemable units issued	153,666	144,664
Redemption of redeemable units	(91,361)	(51,685)
Net cash from financing activities	62,575	92,514
Foreign exchange gain (loss) on cash	47	(31)
Net increase (decrease) in cash and cash equivalents	1,224	(4,316)
Cash and cash equivalents, beginning of year	658	4,974
Cash and cash equivalents, end of year	$ 1,882	$ 658
Supplementary information:		
Dividends received, net of withholding tax	$ 48	$ 37
Interest received	26,596	24,533

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

VPI CORPORATE BOND POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
Government Bonds:						
78,999,000	Canadian Government Bond	1-Dec-30	0.500	$ 66,317	$ 68,228	
123,337,000	Canadian Government Bond	1-Dec-31	1.500	111,241	111,114	
6,218,000	Canadian Government Real Return Bond	1-Dec-26	7.830	11,985	12,141	
4,803,000	Canadian Government Real Return Bond	1-Dec-50	0.622	4,563	4,686	
2,452,000	United States Treasury Inflation Indexed Bond	15-Jan-26	0.830	4,048	4,621	
671,000	United States Treasury Inflation Indexed Bond	15-Apr-26	0.150	963	1,134	
Total government bonds				199,117	201,924	31.80
Corporate bonds:						
3,594,000	Air Canada	1-Jul-25	4.000	5,583	5,638	
28,836,000	Air Canada	15-Aug-29	4.625	28,623	28,675	
1,517,000	American Airlines Inc.^	15-Feb-26	10.750	2,207	2,239	
532,000	Avis Budget Car Rental LLC	15-Jul-27	5.750	701	748	
4,459,000	Avis Budget Car Rental LLC	15-Jul-27	5.750	5,672	6,323	
3,414,000	Avis Budget Car Rental LLC	1-Apr-28	4.750	4,289	4,595	
3,315,000	Avis Budget Car Rental LLC	1-Mar-29	5.375	4,221	4,464	
2,319,000	Avis Budget Car Rental LLC	15-Jan-30	8.250	3,156	3,443	
2,319,000	Avis Budget Car Funding AESPOP LLC	20-Oct-28	5.130	2,253	2,404	
1,907,000	Bank of America Corp.	16-Mar-26	4.681	1,911	1,911	
1,907,000	Bank of America Corp.	24-Mar-26	3.515	3,233	3,300	
11,500,000	Bank of Nova Scotia	15-Nov-28	3.807	11,500	11,571	
9,262,000	Bank of Nova Scotia	27-Jul-81	3.700	7,682	8,317	
2,500,000	Bank of Nova Scotia	27-Jul-82	7.023	2,474	2,605	
1,577,229	Black Press Group Ltd.^	22-Mar-29	10.000	1,320	1,430	
3,882,000	BMW Canada Auto Trust	20-Apr-26	5.025	1,612	1,495	
1,937,000	Boeing Co.	4-Feb-26	2.196	2,466	2,703	
595,000	Boeing Co.	1-May-26	3.100	825	835	
313,000	Bombardier Inc.	22-Dec-26	7.350	250	324	
3,888,000	Bombardier Inc.	1-May-34	7.450	4696	5,919	
5,275,000	Canadian Imperial Bank of Commerce	2-Apr-27	4.900	5,272	5,363	
610,000	Canadian Imperial Bank of Commerce	31-Aug-85	1.750	735	785	
4,314,000	Cineplex Inc.	31-Mar-29	7.625	4,314	4,526	
350,000	Cineplex Inc.	1-Mar-30	7.750	364	478	
5,378,477	ClearStream Energy Services Inc.^	23-Mar-26	8.000	4,357	4,961	
4,075,000	Corus Entertainment Inc.	28-Feb-30	6.000	4,075	1,783	
337,000	Credit Suisse Group AG	5-Jun-26	2.193	394	479	
4,359,000	Credit Suisse Group AG	2-Feb-27	1.305	4,757	6,027	
4,165,000	Enbridge Inc	9-Nov-27	5.700	4,163	4,394	
80,000	General Electric Co.	15-Aug-36	5.265	885	1,110	
4,712,000	Great-West Lifeco Inc.*	31-Dec-81	3.600	4,712	4,228	
10,174,000	Hertz Corp.	15-Jul-29	12.625	14,330	15,607	
3,862,000	Hertz Corp.	15-Jul-29	8.000	5,292	5,870	
8,143,000	Hertz Corp.	1-Dec-29	5.000	8,922	7,685	
125,000	Kruger Packaging Holdings LP	1-Jun-26	6.000	125	125	
5,108,000	Latam Airlines Group SA	15-Oct-29	13.375	6,670	8,420	

VPI CORPORATE BOND POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
Corporate bonds (continued):						
15,332,000	Manulife Financial Corp.	19-Jun-81	3.375	$ 14,401	$ 14,007	
13,733,000	Manulife Financial Corp.	19-Mar-82	4.100	12,801	12,305	
12,246,000	Metropolitan Life Global Funding	01-Apr-27	4.642	12,246	12,557	
4,423,000	NatWest Group PLC	10-Nov-26	7.472	5,989	6,495	
9,000,000	Royal Bank of Canada	21-Dec-26	4.256	9,000	9,170	
7,129,000	Royal Bank of Canada	17-Jan-28	4.642	7,129	7,355	
5,350,000	Royal Bank of Canada	31-Dec-49	4.200	5,350	4,823	
930,000	Royal Bank of Canada	29-Jun-85	3.862	952	1,231	
789,000	SNC-Lavalin Group Inc.	12-Jun-26	7.000	789	821	
705,000	Spirit AeroSystems Inc.	15-Jun-26	3.850	900	990	
4,467,000	Spirit AeroSystems Inc.	15-Jun-28	4.600	5,057	6,097	
32,000	Spirit AeroSystems Inc.	30-Nov-29	9.375	44	49	
3,742,000	Spirit AeroSystems Inc.	15-Nov-30	9.750	5,146	5,962	
6,786,000	Sun Life Financial Inc.	30-Jun-81	3.600	6,791	6,148	
450,000	The Boeing Company	1-Feb-26	2.750	584	632	
565,000	The Boeing Company	1-May-30	5.150	772	802	
9,000,000	Toronto-Dominion Bank	2-Apr-29	4.232	9,000	9,253	
4,200,000	Toronto-Dominion Bank	31-Jan-25	4.229	4,190	4,201	
18,130,000	Toronto-Dominion Bank	18-Jan-28	4.477	18,117	18,603	
9,657,000	Toronto-Dominion Bank	31-Oct-81	3.600	8,942	8,676	
11,400,000	Toyota Credit Canada Inc.	2-Oct-29	3.730	11,398	11,403	
5,905,000	TransCanada PipeLines Ltd.	5-Apr-27	3.800	5,608	5,929	
7,821,000	TransCanada PipeLines Ltd.	15-May-67	6.995	7,175	10,592	
1,930,000	UBS Group AG	9-Jan-28	4.282	2,631	2,715	
2,287,000	Videotron Ltd.	15-Jun-25	5.625	2,416	2,295	
2,390,000	WTH Car Rental ULC	20-Feb-27	6.028	2,390	2,480	
Total corporate bonds				323,859	336,371	52.98
Term Loans:						
3,148,822	Hertz Corp.	30-Jun-28	8.089	4,225	4,106	
4,587,826	Hertz Corp.	30-Jun-28	7.971	5,785	5,965	
895,548	Hertz Corp.	30-Jun-28	7.971	1,129	1,164	
Total term loans				11,139	11,235	1.77

VPI CORPORATE BOND POOL

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

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
Mortgage-backed securities:						
2,377,000	MCAN NHA	1-Jan-26	0.700	$ 1,640	$ 1,601	
1,586,660	I.G Investment NHA*	1-Feb-26	3.350	1,380	1,392	
11,700,000	RBC NHA	1-Nov-26	1.290	8,837	9,167	
505	Caisse Acadienne NHA, FRN	1-Feb-27	3.550	–	–	
1,950,000	Equitable Bank NHA	1-Mar-27	1.140	1,503	1,507	
1,800,000	Scotia Capital Inc. NHA	1-Jun-27	4.300	1,765	1,794	
7,000,000	MCAP Service NHA	1-Feb-28	4.040	6,520	6,576	
5,642,000	RBC NHA	1-Sep-28	3.320	5,097	5,296	
3,500,000	First National NHA	1-Nov-28	3.840	3,360	3,361	
2,000,000	First National NHA	1-Jan-29	3.840	1,914	1,922	
5,000,000	Equitable Bank NHA	1-Mar-29	3.900	4,653	4,774	
8,970,000	Scotia Capital Inc. NHA	1-Mar-29	3.700	8,467	8,644	
1,500,000	First National NHA	1-Apr-29	4.190	1,434	1,469	
6,918,000	Scotia Capital Inc. NHA	1-Jun-29	4.100	6,801	6,918	
9,800,000	Scotia Capital NHA	1-Sep-29	3.850	9,873	9,807	
7,800,000	BMO NHA	1-Sep-29	3.600	7,777	7,729	
4,000,000	TD Securities Inc. NHA	1-Oct-29	3.250	3,929	3,949	
Total mortgage-backed securities				74,950	75,906	11.96
Equities:						
Capital goods:						
87,421	Bird Construction Inc.			570	2,278	
5,300	The Boeing Company			369	464	
				939	2,742	0.44
Energy:						
314	Flint Corp.,^			314	68	
4,360	Flint Corp., Preferred^			3,052	2,331	
25,909	FLINT Corp			1	1	
				3,367	2,500	0.39
Media and entertainment:						
161,469	Black Press^			161	161	
26,373	Postmedia Network Canada Corp.			55	31	
				216	192	0.03
Telecommunication services:						
32,277	X-Spectrum 1 Inc.^			–	10	
61,069	X-Spectrum 2 Inc.^			–	–	
				–	10	0.00
Total equities				4,522	5,444	0.86
Summary:						
Government Bonds				199,117	201,924	31.80
Corporate Bonds				323,859	336,371	52.98
Term loans				11,139	11,235	1.77
Mortgage-backed securities				74,950	75,906	11.96
Equities				4,522	5,444	0.86
				613,587	630,880	99.37
Transaction costs				–		
Total financial assets at FVTPL				613,587	630,880	99.37

VPI CORPORATE BOND POOL
Schedule of Investments (continued)
(In thousands of dollars, except for unit amounts)

December 31, 2024

Number of units, shares or par value	Description	Maturity date	Coupon rate %	Average cost	Fair value	% of net assets
Cash:						
Domestic				$ 1,762	$ 1,762	
Foreign				120	120	
Total Cash				1,882	1,882	0.30
Forward currency forward contracts					(2,702)	(0.43)
Other assets less liabilities					4,827	0.76
Total net assets attributable to holders of redeemable units					$ 634,887	100.00

^Level 3 Securities

* The issuer of this security is related to the Manager (See Note 1)

VPI CORPORATE BOND POOL

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

December 31, 2024

Forward currency contracts:

The Pool has the following forward currency contracts outstanding as at December 31, 2024:

Currency to purchase	Amount	Fair value to purchase	Currency to deliver	Amount	Fair value to deliver	Unrealized loss	Expiry date
CAD	$ 140,100	$ 140,100	USD	$ 99,545	$ 142,802	$ (2,702)	March 2025

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

1. Reporting entity:

(a) VPI Corporate Bond Pool (the Pool) is an open-ended mutual fund trust, established on June 24, 2020 by declaration of trust under the laws of the Province of Ontario. As of June 24, 2020 the registered office of the Pool is located at 300-175 Hargrave St., Winnipeg, Manitoba. The trustee of the Pool is RBC Investor Services Trust and the Manager of the Pool is Value Partners Investments Inc. (VPI or the Manager).

The Pool commenced operations on June 24, 2020 with Series A, Series F and Series O. Effective June 15, 2022 all Series O units were renamed as Series I units. Effective June 28, 2022, Series O units of the Pool were qualified for distribution. Effective June 27, 2024, Series P units of the Pool were qualified for distribution and as at December 31, 2024, one unit has been issued.

The 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.

On September 8, 2023, Great-West Lifeco Inc. and a wholly owned subsidiary of The Canada Life Assurance Company, 14894821 Canada Inc. acquired all the issued and outstanding shares of Value Partners Group Inc. ("VPGI"), the parent company of the Manager, from the previous shareholders of VPGI ("the acquisition"). As a result of the acquisition, there was a change in control of the Manager of the Pool.

(b) Redeemable units issued and outstanding are considered to be capital of the Pool. The Pool's authorized capital consists of an unlimited number of units and series without par value. The number of outstanding units of each series is disclosed in the statements of financial position.

Series A units are subject to a negotiated sales commission payable by the investor at the time of purchase. Series F units are only available to investors that have a fee-based account with a dealer that has signed a Series F agreement with the Manager. Series I units are available to investors who have, or whose dealer has, entered into an agreement directly with the Manager to purchase Series I units and who make the required minimum investment and minimum additional investment as set out by the Manager from time to time. Such investors may include investors who opened a discretionary investment management account with the Manager prior to on or about September 30, 2022, certain institutional investors as approved by the Manager and other mutual funds managed by the Manager. Series O units of the Pool are available to investors who have entered into a discretionary investment management account with the Manager. Series P units are available to investors who have a discretionary investment management account with a dealer who has signed a Series P agreement with the Manager.

1. Reporting entity (continued):

(b) Except for Series I, each series of units pays its proportionate share of common expenses of the Pool, in addition to expenses that are unique to that series. Proportionate fund expenses for Series I, both common fund expenses, as well as expenses unique to Series I, are paid by the Manager. Distributions of each series may vary due to the differences in expenses between the series.

(c) Unitholders may redeem all or part of their units by delivering a written request to do so to the Manager or Trustee or to an investment dealer, securities dealer or mutual fund dealer for delivery to the Manager or Trustee. Units will be redeemed at the net asset value per unit as determined on the next valuation date. Requests for redemption received after 4:00 p.m., Toronto time, on any day are deemed to be received on the first business day following the date of the actual receipt.

2. Basis of preparation:

These financial statements have been prepared in compliance with IFRS Accounting Standards (IFRS).

The financial statements were authorized for issue by the Manager on behalf of the board of directors on March 13, 2025.

(a) Basis of measurement:

The financial statements have been prepared on an historical cost basis except for investments at fair value through profit or loss, which are measured at fair value.

(b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Pool's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

(c) Use of estimates and judgments:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. Basis of preparation (continued):

(c) Use of estimates and judgments (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant judgments made by the Manager in preparing these financial statements is in determining the fair value of financial instruments not traded in an active market, if any, under IFRS 13 - *Fair Value Measurement* (IFRS 13).

3. Material accounting policies:

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

(a) Financial instruments:

(i) Classification and measurement:

Financial assets are required to be classified into one of the following categories: fair value through profit or loss (FVTPL), amortized cost or fair value through other comprehensive income (FVOCI) based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition.

All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial instruments held-for trading or at FVTPL are recognized initially on the trade date, which is the date on which the Pool becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Pool derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

3. Material accounting policies (continued):

(a) Financial instruments (continued):

(i) Classification and measurement (continued):

Financial assets and liabilities are offset and the net amount presented in the statements of financial position only when the Pool has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

At December 31, 2024 and December 31, 2023, no amounts have been offset in the statements of financial position.

(ii) FVTPL:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statements of comprehensive income in the period in which they occur. The Pool has classified its investments in securities, derivative financial assets and derivative financial liabilities as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Pool uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Pool's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

3. Material accounting policies (continued):

(a) Financial instruments (continued):

(ii) FVTPL (continued):

The Pool's accounting policies for measuring the fair value of investments are consistent with those used for measuring its net asset value for transactions with unitholders.

(iii) Amortized cost:

Financial instruments classified under amortized cost include financial assets that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest and financial liabilities not classified as FVTPL.

Such financial assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of these financial assets and financial liabilities is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Pool classifies cash, accrued dividends receivable, accrued interest receivable for distribution purposes, due from Manager, subscriptions receivable, due from broker, accounts payable and accrued liabilities, redemptions payable, management fees payable, distributions payable and due to broker as amortized cost. Cash includes cash on deposit with the custodian.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Impairment:

For financial assets measured at amortized cost, the Pool uses an expected credit loss (ECL) impairment model. The ECL model uses an allowance for expected credit losses being recorded regardless of whether or not there has been an actual loss event.

3. Material accounting policies (continued):

(a) Financial instruments (continued):

(iv) Impairment (continued):

The Pool measures the loss allowance at an amount equal to lifetime ECL for trade and other receivables. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of the trade and other receivables. ECL's are a probability-weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (that being the difference between the cash flows due to the Pool in accordance with the contract and the cash flows that the Pool expects to receive). ECL's are discounted at the effective interest rate of the financial asset.

(v) Foreign currency forward contracts:

The value of a foreign currency forward contract is the gain or loss that would be realized if, on the date that valuation is made, the positions were closed out. It is reflected in the statements of financial position as part of "foreign currency forward contracts" and the change in value over the period is reflected in the statements of comprehensive income as part of "change in unrealized appreciation (depreciation) in foreign currency forward contracts". When the foreign currency forward contracts are closed out, gains and losses are realized and are included in the "net realized gain (loss) on foreign currency forward contracts" in the statements of comprehensive income.

(b) Redeemable units:

The Pool classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Pool has multiple classes of redeemable units that do not have identical features and therefore, does not qualify as equity under International Accounting Standard (IAS) 32, *Financial Instruments - presentation* (IAS 32). The redeemable units, which are measured at the redemption amounts and are considered a residual amount of the net assets attributable to holders of redeemable units, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Pool's valuation policies at each redemption date.

3. Material accounting policies (continued):

(c) Foreign currency:

The Pool's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses relating to cash are presented as 'Foreign exchange gain (loss) on cash' and those relating to other financial assets and liabilities are presented within 'Net realized gain' and 'Change in unrealized appreciation (depreciation)' in the statements of comprehensive income.

(d) Investment transactions and revenue recognition:

Interest income for distribution purposes from investments in bonds and short-term investments represents the coupon interest received by the Pool accounted for on an accrual basis. The Pool does not use the effective interest method to amortize premiums paid or discounts received on the purchase of fixed-income securities. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(e) Increase (decrease) in net assets attributable to holders of redeemable units, per unit:

Increase (decrease) in net assets attributable to holders of redeemable units, per unit in the statements of comprehensive income represents the net increase (decrease) in the net assets from operations for each series for the period divided by the weighted average units outstanding for each series for the period.

3. Material accounting policies (continued):

(f) Income taxes:

The Pool qualifies as a Mutual Fund Trust as defined in the *Income Tax Act* (Canada). Pursuant to the terms of the Declaration of Trust establishing the Pool, it is considered to distribute annually to the unitholders all of the net taxable income, including net realized gains on sale of investments, and such distributions are immediately reinvested in units of the Pool.

In general, the Pool is subject to income tax, however no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. In addition, income taxes payable on net realized capital gains is refundable on a formula basis when units of the Pool are redeemed.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Any non-capital losses that are realized in the taxation year 2006 and after may be carried forward for 20 years and applied against future income and capital gains.

(g) Accounting standards issued but not yet effective:

The International Accounting Standards Board issued IFRS 18, *Presentation and Disclosure in Financial Statements* (IFRS 18) on April 9, 2024, which will replace IAS 1, *Presentation of Financial Statements*.

This new standard, effective for annual periods beginning on or after January 1, 2027, aims to improve financial statement comparability and transparency by introducing a more structured statement of comprehensive income.

Key changes include new categories for income and expenses (operating, investing, and financing), defined subtotals like operating profit, and requirements for management-defined performance measures. The Manager is assessing the implications of IFRS 18 and its impact on the Pool’s financial statements and disclosures.

4. Management fees and expenses:

Except for Series I, Series O and Series P units, the Manager of each series of units is entitled to a monthly management fee from the Pool based on a percentage of the net asset value of each series of units as of the close of business on each business day calculated at the following annual rates:

Series A	1.50%
Series F	0.75%

The Manager offers a management fee reduction program to qualified investors in Series A and Series F units. If the unitholder qualifies under this program, the management fee charged to the Pool is reduced and the Pool distributes the amount of the reduction to the investor by way of a management fee distribution. Management fee distributions are automatically reinvested in additional units of a particular series of the Pool unless negotiated otherwise with the Manager.

No management fee is charged to the Pool with respect to Series I and Series P units. For Series I units, each investor negotiates a separate fee that is paid directly to the Manager. For Series P units, the dealer pays a fee directly to the Manager on behalf of its discretionary investment management accounts. 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 0.30% annually.

Except for Series I units, in addition to the management fee, each series of units pays its proportionate share of common operating expenses of the Pool, in addition to expenses that are unique to that series. These expenses include, but are not limited to audit, legal and filing fees, custodial, recordkeeping and trustee fees, transfer agent fees, investor servicing costs, taxes, compensation and expenses of the Independent Review Committee, and costs of unitholder reports, financial reporting, prospectuses, regulatory filings, and other communications. Brokerage commissions and transaction costs for buying and selling investments for the Pool's portfolio are also paid by the Pool, as well as the costs and expenses related to holding any meeting convened by unitholders. The Manager may, at its own discretion, absorb a portion of the operating expenses of Series A, Series F, Series O or Series P units from time to time.

Proportionate fund expenses for Series I units, both common fund expenses, as well as expenses unique to Series I, are fully absorbed by the Manager.

The Manager absorbed a portion of the operating expenses (note 5) of the Pool during the years ended December 31, 2024 and 2023.

(In thousands of dollars, except for unit amounts)

5. Related party transactions:

Related party balances of the Pool as at December 31, 2024 and December 31, 2023 are as follows:

	2024	2023
Management fees payable	$ 367	$ 247
Due from Manager	–	1

Related party transactions of the Pool for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Management fees	$ 3,656	$ 2,792
Absorbed expenses	(135)	(139)

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

As of December 31, 2024 and December 31, 2023, the Manager or parent company of the Manager held the following number of units in the Pool:

	2024	2023
Series O	1	1
Series P	1	–

At December 31, 2024 the VPI Income Pool holds 24,262,225 (2023 - 26,391,867) Series I units of the Pool. The VPI Income Pool is managed by the same Manager as the Pool.

6. Brokerage commissions:

Commissions paid to brokers for portfolio transactions for the years ended December 31, 2024 and 2023 is disclosed in the statements of comprehensive income.

There were no soft dollar commissions paid during the years ended December 31, 2024 and 2023.

(In thousands of dollars, except for unit amounts)

7. Income taxes:

As of December 31, 2024 and 2023, there were no non-capital losses available for carry forward.

Capital losses available for carry forward as of December 31, 2024 and 2023 are as follows:

		2024		2023
Capital losses	$	2,252	$	2,095

8. Financial risk management:

The investment activities of the Pool expose the Pool to various types of financial risks. The Manager seeks to minimize potential adverse effects of these risks on the Pool by contracting a professional, experienced portfolio manager, by monitoring the Pool and market events on a daily basis, and by diversifying the investment portfolio within the parameters of the investment objective and strategy.

The most significant risks include market risk (other price risk, interest rate risk and currency risk), credit risk and liquidity risk. These risks and related risk management practices employed by the Pool are discussed below:

(i) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The maximum risk resulting from financial instruments held by the Pool is determined by the fair value of the financial instruments. The portfolio manager moderates this risk through a careful selection of securities within specified parameters established for the Pool.

For the Pool, the most significant exposure to other price risk arises from investments in equity securities.

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

(i) Other price risk (continued):

The following table shows the exposure of the Pool to equity securities and indicates the impact on net assets if the prices of the equity securities on the respective stock exchanges increased or decreased by 5 percent, with all other variables held constant.

	Fair value of equities	% of net assets	Impact on net assets ($)	Impact on net assets (%)
As at December 31, 2024	$ 5,444	0.86%	$ 272	0.04%
As at December 31, 2023	4,178	0.79%	209	0.04%

(ii) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Pool is exposed to this risk to the extent that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The tables below summarize the Pool's exposure to interest rate risk. They include the Pool's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2024	Less than 1 year	1 - 3 years	3 - 5 years	Greater than 5 years	Non-interest bearing	Total
Financial assets at FVTPL	$ 12,134	$ 113,661	$ 222,400	$277,241	$ 5,444	$ 630,880

As at December 31, 2023	Less than 1 year	1 - 3 years	3 - 5 years	Greater than 5 years	Non-interest bearing	Total
Financial assets at FVTPL	$ 48,747	$ 195,572	$ 117,312	$157,112	$ 4,178	$ 522,921

At December 31, 2024 and December 31, 2023, should interest rates have increased or decreased by 25 basis points, excluding cash and treasury bills and assuming a parallel shift in the yield curve, with all other variables held constant, net assets for the Pool would have approximately increased or decreased as indicated in the following table.

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

(ii) Interest rate risk (continued):

The Pool's sensitivity to interest rates was estimated using the weighted average duration of the bond portfolio.

	Impact on net assets ($)	Impact on net assets (%)
As at December 31, 2024	$ 5,730	0.90%
As at December 31, 2023	2,723	0.52%

(iii) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Pool. The Pool's greatest concentration of credit risk is in debt securities. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of these investments represents the maximum credit risk exposures as of December 31, 2024 and December 31, 2023.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Debt securities in the Pool by credit rating are as follows:

As at December 31, 2024	% of debt securities	% of net assets
AAA	47.72%	47.05%
AA	2.01%	1.98%
A	13.31%	13.12%
BBB	18.73%	18.45%
BB	5.51%	5.43%
B	6.24%	6.15%
CCC	3.42%	3.38%
N/R	3.06%	3.02%
	100.00%	98.58%

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

(iii) Credit risk (continued):

As at December 31, 2023	% of debt securities	% of net assets
AAA	34.61%	34.00%
AA	5.31%	5.21%
A	10.88%	10.68%
BBB	21.67%	21.28%
BB	15.11%	14.84%
B	5.86%	5.76%
CCC	1.00%	0.98%
N/R	5.56%	5.46%
	100.00%	98.21%

(iv) Liquidity risk:

The Pool is exposed to liquidity risk to the extent that it is subject to daily cash redemptions of redeemable units. Therefore, the Pool invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Pool retains sufficient cash positions to maintain liquidity.

(v) Currency risk:

The Pool uses the Canadian dollar as its functional and reporting currency. Currency risk is the risk that the value of monetary assets and liabilities denominated in currencies other than the Canadian dollar (the functional currency of the Pool), will fluctuate due to changes in exchange rates.

The only foreign currency to which the Pool was exposed at December 31, 2024 and December 31, 2023 was the U.S. dollar.

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

(v) Currency risk (continued):

The following tables illustrate the potential impact to the Pool's net assets, all other variables held constant, as a result of a 5 percent change in these currencies relative to the Canadian dollar.

As at December 31, 2024	Foreign currencies ($)	Foreign currency forward contracts	Net exposure	Impact on net assets ($)	Impact on net assets (%)
Financial assets at FVTPL	$ 138,315	$ (143,166)	$ (4,851)	$ (243)	(0.04)%
Cash	120	–	120	6	0.00%
Other assets less liabilities	2,500	–	2,500	125	0.02%
	$ 140,935	$ (143,166)	$ (2,231)	$ (112)	(0.02)%

As at December 31, 2023	Foreign currencies ($)	Foreign currency forward contract	Net exposure	Impact on net assets ($)	Impact on net assets (%)
Financial assets at FVTPL	$ 122,485	$ (126,240)	$ (3,755)	$ (188)	(0.04)%
Cash	2,190	–	2,190	110	0.02%
Other assets less liabilities	2,145	–	2,145	107	0.02%
	$ 126,820	$ (126,240)	$ 580	$ 29	0.00%

(vi) Concentration risk:

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The market segments are represented as a percentage of financial assets at FVTPL. The following is a summary of the Pool's concentration risk:

Market segment Long	December 31, 2024	December 31, 2023
	%	%
Government bonds	32.01	17.93
Corporate bonds	53.31	69.13
Term loans	1.78	2.68
Mortgage-backed securities	12.04	9.46
Capital goods	0.43	0.24
Energy	0.40	0.55
Media and entertainment	0.03	0.01
	100.00	100.00

(In thousands of dollars, except for unit amounts)

8. Financial risk management (continued):

(vii) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where the Pool has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. The Pools has not offset any financial assets and financial liabilities in the statements of financial position.

The disclosures set out in the tables below include financial assets and liabilities that are subject to master netting arrangements or similar agreement, including derivative clearing agreements, that covers similar financial instruments as at December 31, 2024 and December 31, 2023:

As at December 31, 2024:

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position: Financial instruments	Related amounts not offset in the statement of financial position: Cash collateral pledged	Net amount
Foreign exchange forward contracts - liabilities	$ (2,702)	$ (2,702)	$ –	$ –	$ (2,702)

As at December 31, 2023:

Type of financial instrument	Gross amounts of recognized financial assets and liabilities	Net amounts presented in the statement of financial position	Related amounts not offset in the statement of financial position: Financial instruments	Related amounts not offset in the statement of financial position: Cash collateral pledged	Net amount
Foreign exchange forward contracts - assets	$ 3,595	$ 3,595	$ 3,494	$ –	$ 3,494
Foreign exchange forward contracts - liabilities	(101)	(101)	–	–	–
	$ 3,494	$ 3,494	$ 3,494	–	$ 3,494

8. Financial risk management (continued):

(viii) Other risk:

Unexpected volatility or illiquidity could occur due to legal, political, regulatory, economic or other developments, such as public health emergencies, including an epidemic or pandemic, natural disasters, tariffs, war and related geopolitical risks, and may impair the portfolio manager's ability to carry out the objectives of the Pool or cause the Pools to incur losses. Neither the duration nor ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted.

9. Fair value disclosure:

(i) Valuation models:

The Pool's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Pool's financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements. The Pool classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.
A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Changes in valuation methods may result in transfers into, or out of, a financial instrument's assigned level.

(In thousands of dollars, except for unit amounts)

9. Fair value disclosure (continued):

(i) Valuation models (continued):

Fair value hierarchy - financial instruments measured at fair value:

The following tables present information about the Pool's assets which are recorded at fair value on a recurring basis as of December 31, 2024 and December 31, 2023:

Financial assets at fair value as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Equities	$ 2,743	$ 31	$ 2,670	$ 5,444
Bonds	–	529,665	8,630	538,295
Term Loans	–	11,235	–	11,235
Mortgage-backed securities	–	75,906	–	75,906
	$ 2,743	$ 616,837	$ 11,300	$ 630,880

Financial liabilities at fair value as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	$ –	$ (2,702)	$ –	$ (2,702)
	$ –	$ (2,702)	$ –	$ (2,702)

(In thousands of dollars, except for unit amounts)

9. Fair value disclosure (continued):

(i) Valuation models (continued):

Financial assets at fair value as at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Equities	$ 1,260	$ 39	$ 2,879	$ 4,178
Bonds	–	451,651	3,573	455,224
Term Loans	–	14,039	–	14,039
Mortgage-backed securities	–	49,480	–	49,480
Foreign currency forward contracts	–	3,595	–	3,595
	$ 1,260	$ 518,804	$ 6,452	$ 526,516

Financial liabilities at fair value as at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	$ –	$ (101)	$ –	$ (101)
	$ –	$ (101)	$ –	$ (101)

During the year ended December 31, 2024, $6,545 was transferred from level 2 to level 3. During the year ended December 31, 2023, $4,340 was transferred from level 3 to level 2. The financial instruments not measured at FVTPL are short-term financial assets and financial liabilities whose carrying amounts approximate fair value.

Level 3 securities have been valued based upon third party broker quotes provided without a range, pricing services and valuation models.

(In thousands of dollars, except for unit amounts)

9. Fair value disclosure (continued):

(i) Valuation models (continued):

Reconciliation of Level 3:

For the period ended December 31, 2024:

	Balance at December 31, 2023	Purchases	Sales	Net transfers in (out)	Realized gain (loss)	Unrealized gain (loss)	Balance at June 30, 2024
Corporate bonds	$ 3,573	$ –	$ (1,454)	$ 6,384	$ 21	$ 106	$ 8,630
Equities	2,879	–	–	161	–	(370)	2,670
	$ 6,452	$ –	$ (1,454)	$ 6,545	$ 21	$ (264)	$ 11,300

For the year ended December 31, 2023:

	Balance at December 31, 2022	Purchases	Sales	Net transfers in (out)	Realized gain (loss)	Unrealized gain (loss)	Balance at December 31, 2023
Corporate bonds	$ 10,887	$ 375	$ (4,159)	$ (4,285)	$ 363	$ 392	$ 3,573
Equities	3,265	–	–	(55)	–	(331)	2,879
	$ 14,152	$ 375	$ (4,159)	$ (4,340)	$ 363	$ 61	$ 6,452

The change in unrealized loss related to Level 3 investments held at December 31, 2024 was $303 (2023 - change in unrealized gain of ($273)).