

Annual Investment Review

VPI Income Pool

(For the 12 month period ended September 30, 2015)



VALUE
PARTNERS
INVESTMENTS



VPI Income Pool

Asset Allocation Strategy

At all times, the VPI Income Pool (the Pool) requires an asset allocation with a minimum of 25% Fixed Income and a minimum of 25% Equities.



As the principal portfolio manager, if Patient Capital Management identifies high quality businesses at attractive prices, the asset weighting of the Pool will shift towards the ownership of more equities, to a maximum of 75%.



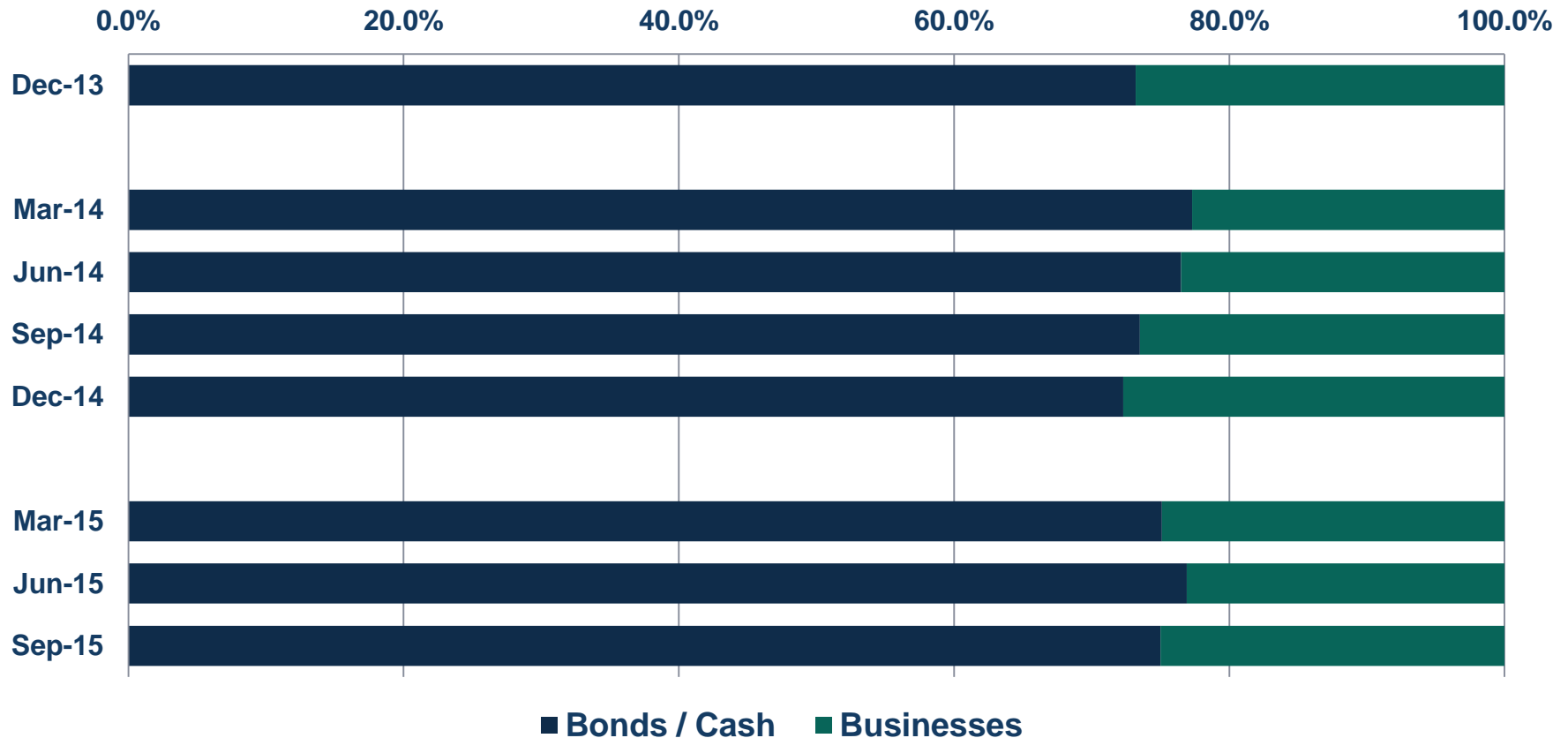
On the other hand, if Patient Capital Management cannot identify investments that meet its rigorous standards for value and quality, greater responsibility transfers to Canso Investment Counsel (the fixed income portfolio manager) and the asset weighting of the Pool will shift towards more fixed income, to a maximum of 75%.





VPI Income Pool

Actual Asset Allocation



Quarterly asset allocation of the VPI Income Pool from December 1, 2013 to September 30, 2015. Patient Capital Management Inc. and Canso Investment Counsel Ltd. have acted as portfolio managers for the VPI Income Pool since December 1, 2013.



VPI Income Pool

Fixed Income Characteristics

As at September 30, 2015

Credit Rating	Weight
AA & Higher	22.4%
A	4.6%
BBB	13.8%
BB & Lower	43.8%
No Rating	15.4%

Yield (YTM)	6.2%
Duration	2.8 years

Source: Canso Investment Counsel Ltd.

Top Fixed Income Holdings

As at September 30, 2015

Issue Name	Weight in Pool
Blackberry Ltd. 11-13-20	4.8%
Bombardier Inc. 03-15-25	4.8%
Yellow Pages Digital & Media Solutions Ltd. 11-30-18	4.4%
Royal Bank of Canada 03-23-20	4.4%
SLM Corporation (Sallie Mae) 01-25-23	2.9%
Navient Corp 03-25-21	2.6%
Postmedia Network 08-16-17	2.4%
Metropolitan Life Global Funding 04-10-19	2.2%
Kraft Canada 06-07-20	2.2%
Royal Bank of Scotland 10-04-49	2.0%

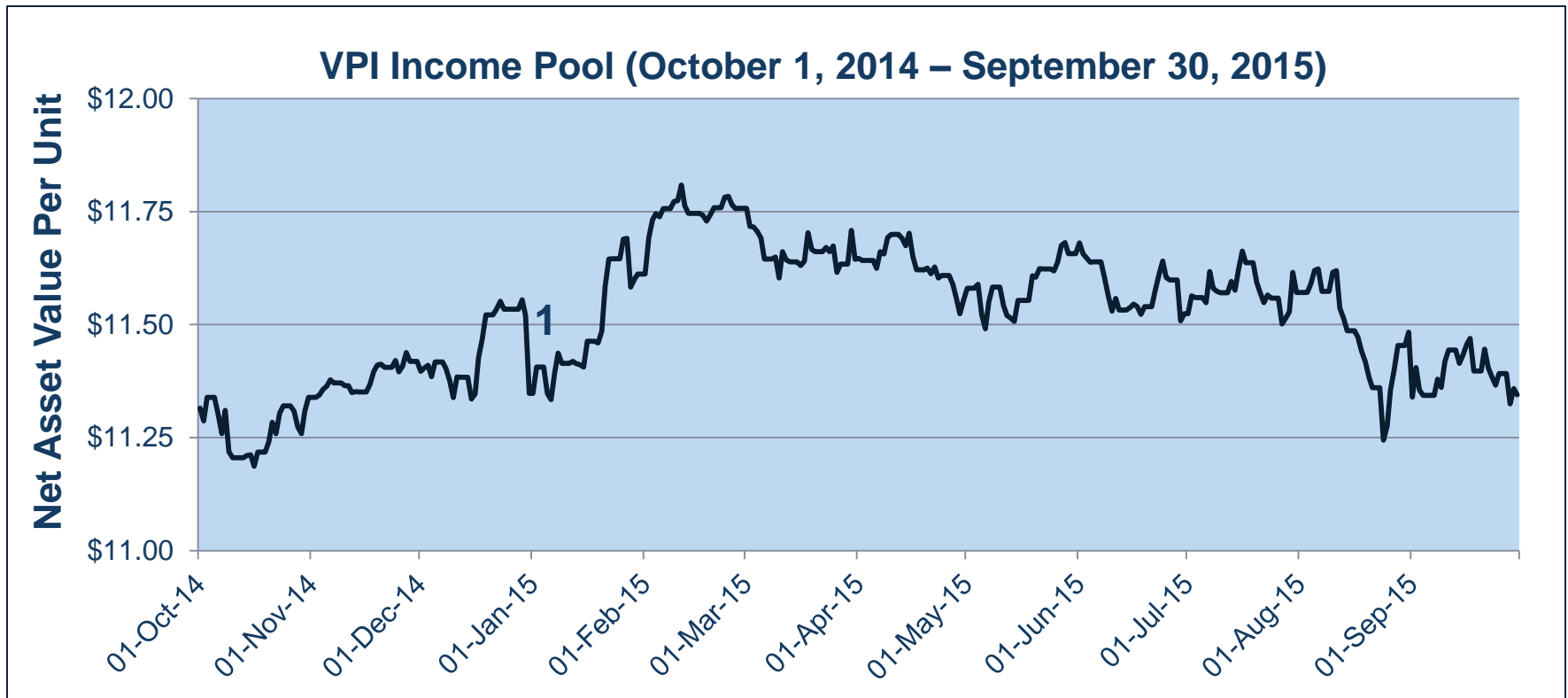
Source: Value Partners Investments Inc.



VPI Income Pool

3.62% Increase

(Series A units, including distributions)

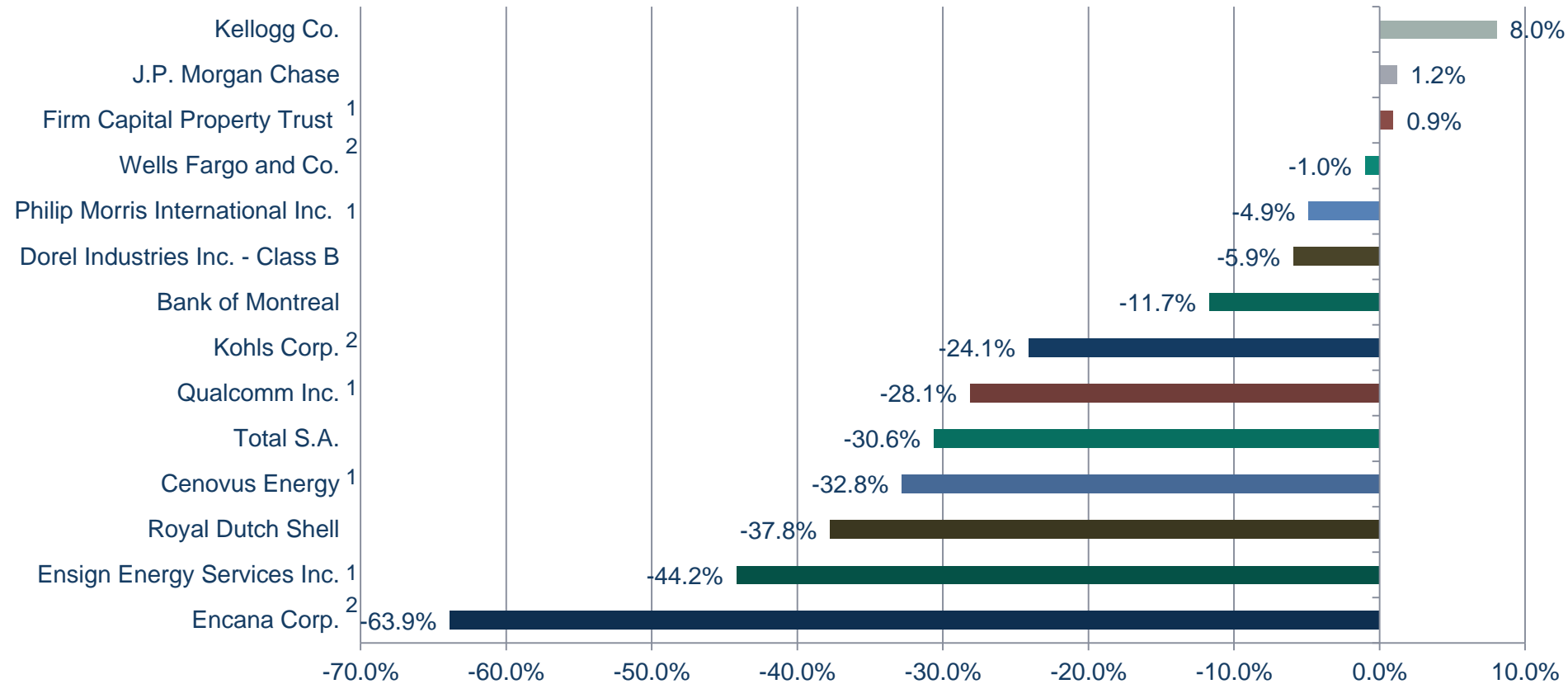


1 Decline in unit value is due to a December 2014 year-end distribution of capital gains to unitholders in the amount of \$0.1186/unit.



VPI Income Pool

Share Price % Change (12 Months Ending September 30, 2015)



Share price changes have been calculated for the full 12 month period, whereas certain holdings may have been acquired or disposed of during the period. Changes with respect to non-Canadian holdings have been calculated with respect to their base currency and have not been converted to Canadian dollars.

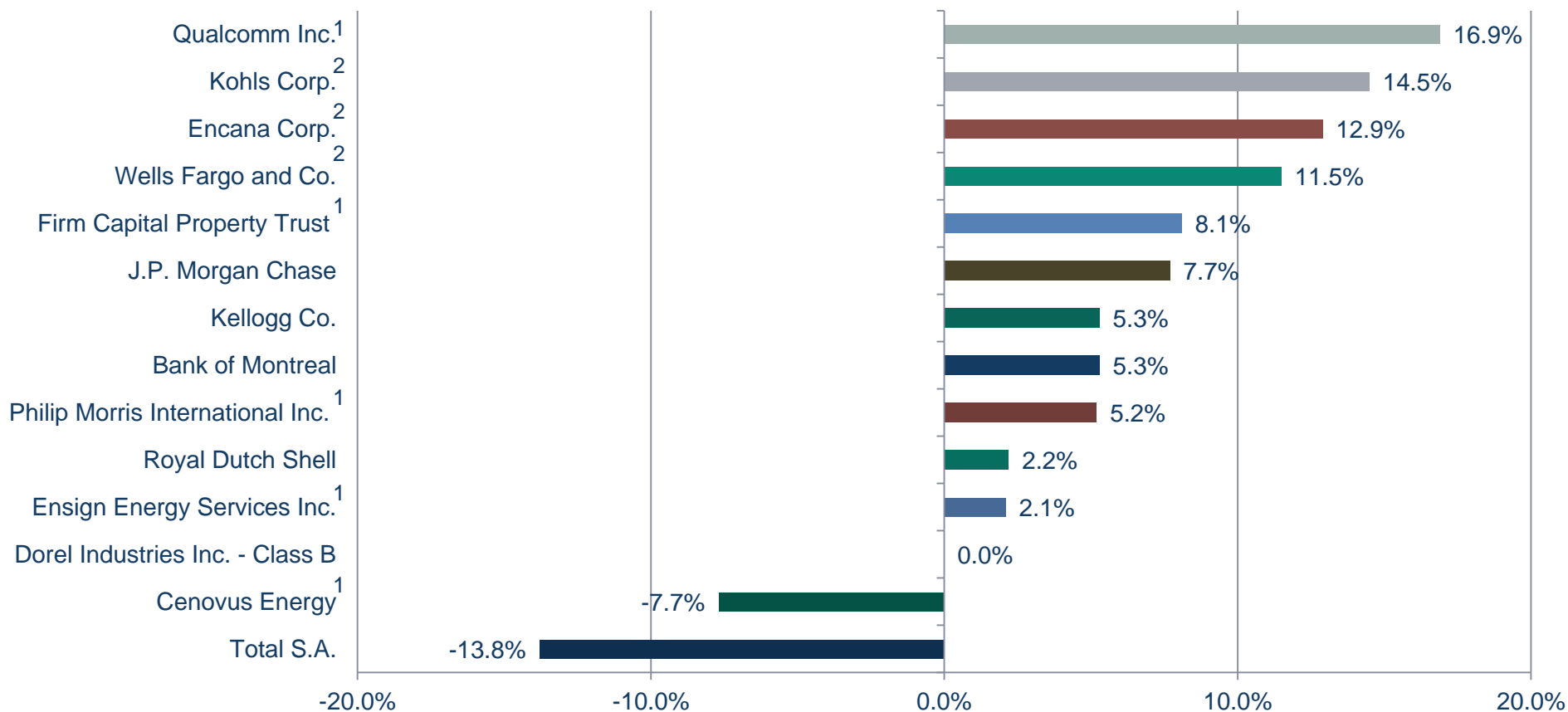
¹ Acquired during the period

² Disposed during the period



VPI Income Pool

Dividend per Share % Change (12 Months Ending September 30, 2015)



Dividend percentage change is calculated as the percentage change in dividends per share paid in the period versus the previous 12 month period.

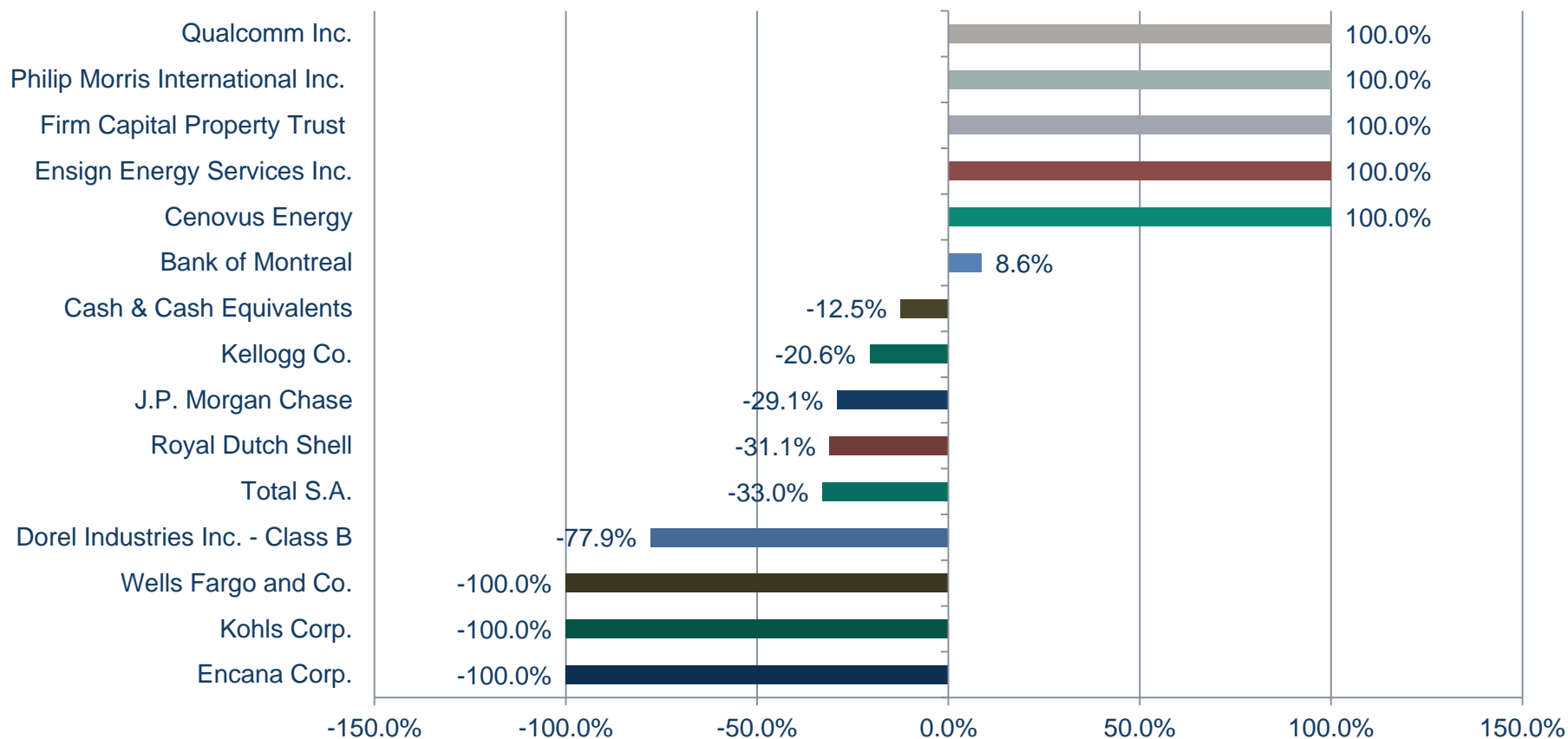
¹ Acquired during the period

² Disposed during the period



VPI Income Pool

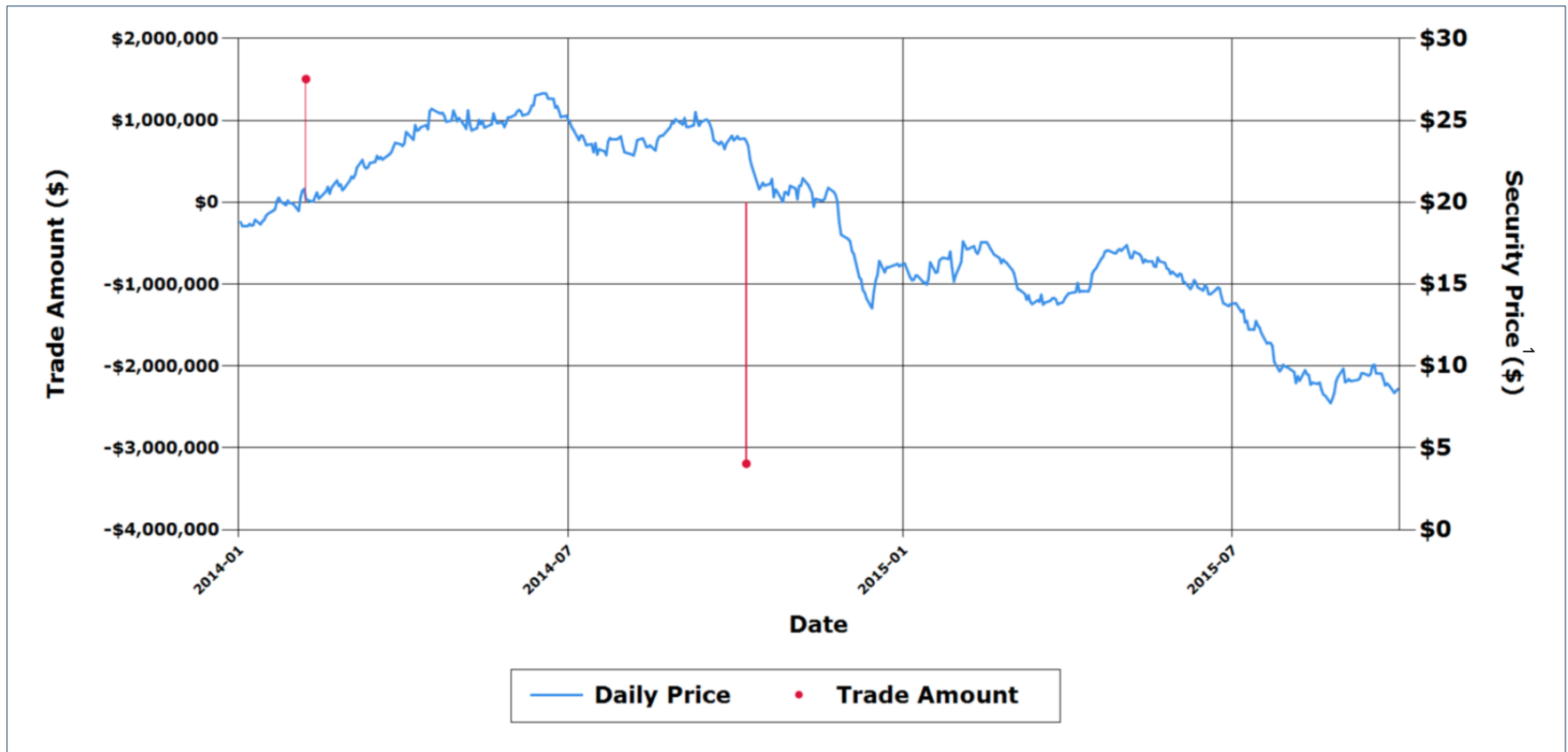
Share Ownership % Change¹ (12 Months Ending September 30, 2015)



¹ Calculated as the change in the proportionate number of shares that can be attributed to a Series A unit holder of the Pool over the period.



Post Audit Results

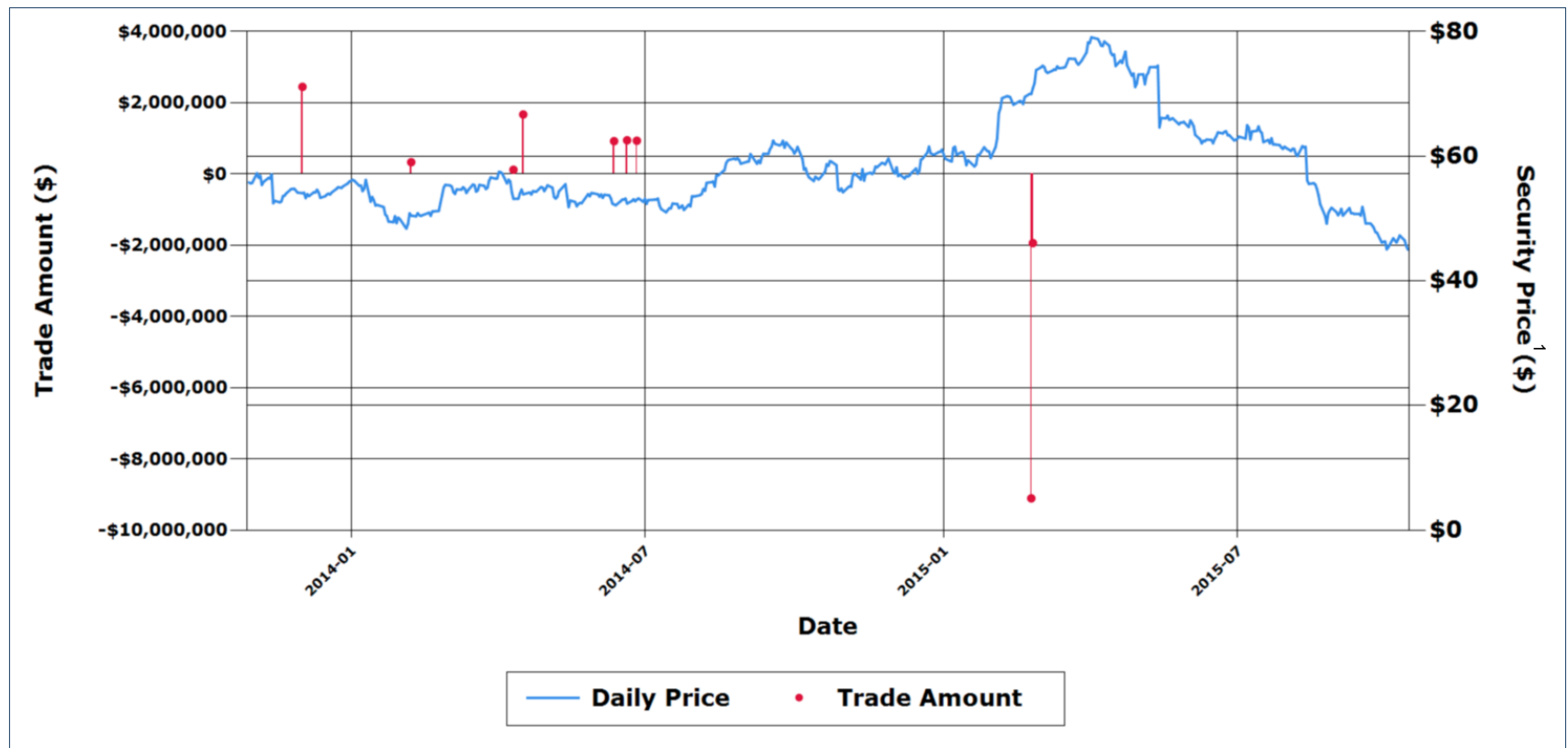


1 Split-adjusted price



Post Audit Results

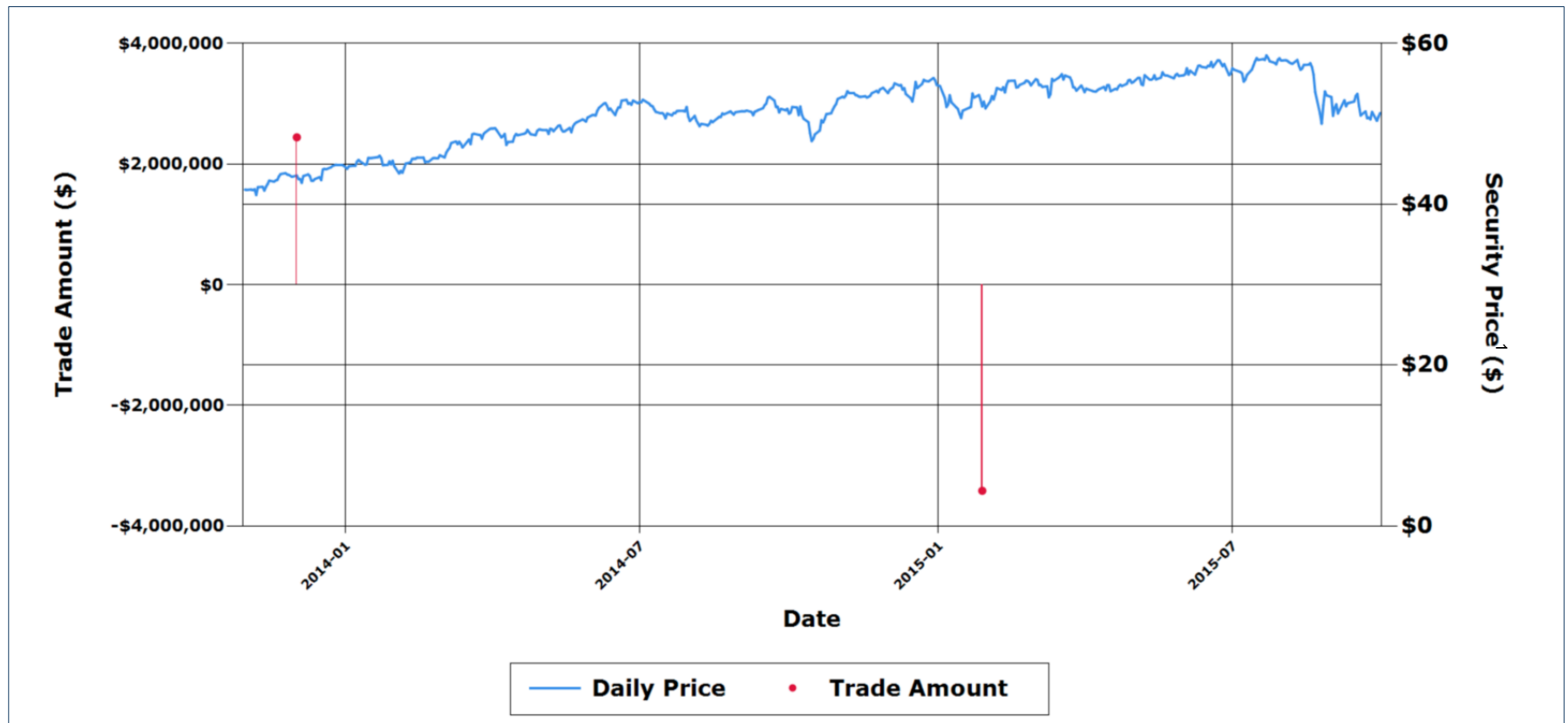
KOHL'S





Post Audit Results

**WELLS
FARGO**





4 Questions:

1. Did we make money?
2. Did we make more than the risk-free rate (GIC)?
3. Did we make more than if we had done nothing?
4. Did we make more than if we had allocated it to another business we owned?



Post Audit Results

VPI Income Pool

Company	Holding Period	Make Money? ¹	More than the Risk-Free Rate (GIC)?
Encana	1.58 years	\$711,925 26.2%	YES
Kohl's	1.3 years	\$3,837,878 52.1%	YES
Wells Fargo	1.2 years	\$1,041,419 42.6%	YES

¹ Market value growth plus dividends received during the holding period.



VPI Income Pool

Standard Performance Information

1 Year	3 Year	5 Year	Annualized since Inception
3.62%	8.08%	4.92%	3.98%

Inception date: October 20, 2005

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The indicated returns represent historical annual compounded total returns, including changes in share or unit value and reinvestment of all dividends, and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns.

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