



**VALUE
PARTNERS**
INVESTMENTS

VPI MORTGAGE POOL

**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023**

MANAGER

VALUE PARTNERS INVESTMENTS INC.

PORTFOLIO MANAGER

HSBC GLOBAL ASSET MANAGEMENT (CANADA) LIMITED

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 22, 2023

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, 2022, 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, 2022.

Results of Operations

Net assets of the Pool decreased by approximately \$6.6 million for the six-months ended June 30, 2023, due primarily to net redemptions of \$6.4 million. The Pool also experienced an increase in net assets from operations of \$0.4 million and paid out income distributions to unitholders of \$0.6 million. The increase in net assets from operations was due to \$0.3 million of unrealized appreciation in the value of investments and \$0.8 million of interest income distributed from the Underlying Fund. This was offset by \$0.4 million in net realized losses on the sale of investments and \$0.3 million in management fees and operating expenses,

During the period, the Portfolio Manager purchased and disposed of units in the HSBC Mortgage Fund (the "Underlying Fund") as cash proceeds became available, or cash redemptions were required from unitholders. As per the Pool's objective, the only investment made during the period was in units of the Underlying Fund.

Each series of the Pool experienced a return in the range of -0.1% to 1.3% during the period relative to the 1.0% gain of the benchmark FTSE Canada Short Term Bond Index.

Following the worst year on record for the Underlying Fund's benchmark, absolute returns recovered modestly in the first six months of 2023. The Bank of Canada increased its overnight rate by 25 basis points at both its January and June meetings to continue their fight against persistently elevated core inflation. In the first half of the year, the yield on the 10-year Government of Canada bond was generally flat, while the yield on two-year Government of Canada bond rose over 50 basis points. Credit spreads recovered after a weak 2022, moving closer to their long-term average.

Revenues and Expenses

Revenues of the Pool amounted to \$0.8 million, representing interest income distributed from the Underlying Fund. and. The Pool also realized a \$0.4 million loss on the sale of investments, \$0.3 million of unrealized appreciation in the value of investments and incurred \$0.3 million in management fees and operating expenses, net of \$62 thousand of expenses absorbed by the Manager to maintain the Pool's MER at a competitive level.

Recent Developments

Economic Conditions

The global economy continues to hold up remarkably well within the context of the rate tightening cycle. At a high level, a strong services sector has offset weakness in manufacturing. Although inflation has moderated since the start of the year, it is decelerating slower than expected and is not low enough to put an end to more rate hikes. The impact of rapidly rising rates on the economy remains a concern, and while the Portfolio Manager still anticipates a brief and shallow recession, the risk of a policy error (that is, too many rate hikes) is still present.

Mortgage rates in Canada are at their highest levels in over 15 years, providing a very compelling environment for fixed income investors. Additionally, the Bank of Canada has noted it is closer to the end of the rate-hike cycle and the Portfolio Manager foresees a period of stable or modestly increasing policy rates to be constructive for fixed income given the high level of yields.

Following a recovery in credit spreads year to date, the Portfolio Manager trimmed the considerable overweight position of the Underlying Fund to short-dated, high quality corporate bonds. While corporate fundamentals remain resilient, the Portfolio Manager expects increased primary issuance heading into the fall season, which could present opportunities for the Pool. The Underlying Fund has an overweight position in high-quality corporate bonds and five-year Government of Canada Bonds.



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2023

VPI MORTGAGE POOL

Recent Developments (continued)

Information About Portfolio Manager

On November 29, 2022, HSBC Overseas Holdings (UK) Limited, a wholly owned subsidiary of HSBC Holdings plc, entered into an agreement to sell its banking business in Canada, HSBC Bank Canada, to Royal Bank of Canada (the "HSBC Transaction"). The Portfolio Manager is a wholly owned subsidiary of HSBC Bank Canada and the HSBC Transaction, if completed, will result in an indirect change of control of the Portfolio Manager, the manager, trustee and primary investment advisor for the Underlying Fund. The HSBC Transaction is expected to complete in late 2023, subject to receipt of regulatory and governmental approvals.

Change in Ownership

On June 13, 2023, it was announced that Value Partners Group Inc. ("VPGI"), the parent company of the Manager, had reached an agreement with The Canada Life Assurance Company ("Canada Life") for Canada Life to acquire VPGI ("the Transaction"). The Transaction is expected to close by the end of 2023 and will result in the indirect acquisition of the Manager of the Pool. The completion of the Transaction is subject to receipt of all required regulatory approvals, as well as satisfaction of customary closing conditions.



VPI MORTGAGE POOL

Portfolio Allocation

Mutual Fund	97.5%	Other Net Assets	0.4%
Cash	2.1%		

Top 25 Holdings

Issuer	Percentage of Net Assets
HSBC Mortgage Fund, Institutional Series	97.5%
Cash	2.1%
Other Net Assets	0.4%
Total	100.0%

As at June 30, 2023 the net assets of the Pool were invested primarily in the Underlying Fund. As a result, the top 25 holdings of the Underlying Fund at the end of the period and the major asset classes in which the Underlying Fund was invested are indicated below.

Portfolio Allocation – Underlying Fund

Residential Mortgages	80.6%	Mortgage-backed Securities	0.1%
Bonds	9.7%		
Cash & Equivalents	9.6%		

Top 25 Holdings – Underlying Fund

Issuer	Maturity Date	Coupon Rate	Percentage of Net Assets
Residential Mortgages			80.6%
Government of Canada T-Bill	20-Jul-23		4.6%
Government of Canada T-Bill	28-Sep-23		2.2%
Government of Canada Bonds	01-Sep-28	3.3%	1.4%
Government of Canada Bonds	01-Mar-28	3.5%	1.1%
Toronto Dominion Bank	10-Jul-23	4.7%	0.7%
The Bank of Nova Scotia	11-Jul-23	4.7%	0.7%
National Bank of Canada	04-Mar-24	3.0%	0.5%
Royal Bank of Canada, FRN	01-Feb-33	5.0%	0.5%
Toronto Dominion Bank	08-Mar-28	2.9%	0.5%
Toronto Dominion Bank, FRN	22-Apr-30	3.1%	0.4%
Bank of America Corporation, FRN	31-Mar-26	6.3%	0.4%
Royal Bank of Canada, FRN	24-Nov-80	4.5%	0.4%
Government of Canada T-Bill	03-Aug-23		0.4%
Government of Canada T-Bill	21-Dec-23		0.3%
Granite REIT Holdings	04-Jun-27	3.1%	0.3%
Brookfield Property Partners	03-Jul-23	4.3%	0.3%
Aroundtown SA	18-Sep-25	4.6%	0.3%
AIMCo Realty Investors LP	04-Nov-26	2.2%	0.2%
Choice Properties REIT	01-Mar-33	5.4%	0.2%
Brookfield Asset Management Inc	28-Jan-26	4.8%	0.2%
Dream Industrial REIT	17-Jun-27	2.1%	0.2%
Mastercard Credit Cards Trust II	21-Dec-23	3.4%	0.1%
TransCanada Pipelines Ltd.	05-Apr-27	3.8%	0.1%
First National Financial LP	17-Nov-25	3.0%	0.1%
Total			96.7%

The above summary of investment portfolio may change due to ongoing portfolio transactions of the Pool and the Underlying Fund. An update will be made available within 60 days of each subsequent quarter-end. Additional information about the Underlying Fund, including its prospectus, is available at www.sedarplus.com.



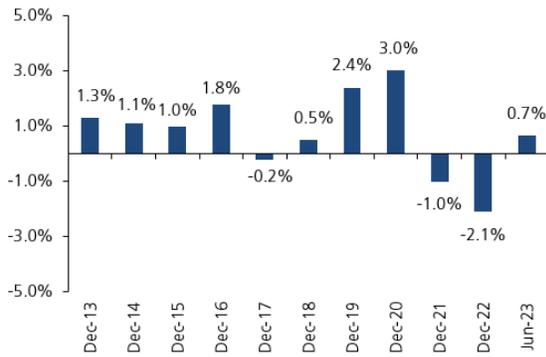
Past Performance

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.

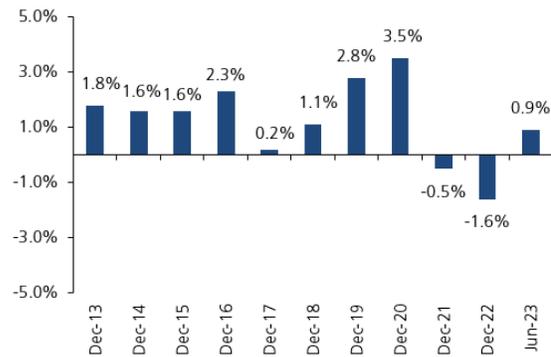
Year-by-Year Returns

The bar charts below show the performance of each series of the Pool (net of fees) for the six-month period ended June 30, 2023, 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.

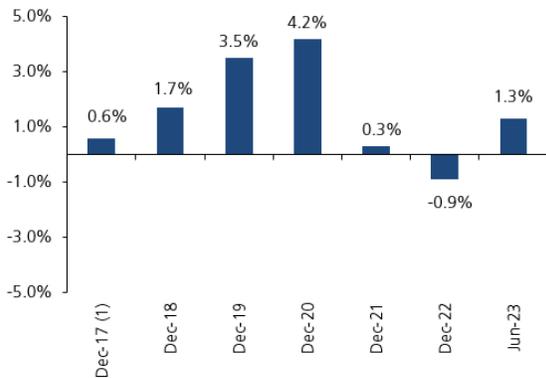
Series A



Series F



Series I



Series O



(1) 2017 return is since inception on July 5, 2017.

(2) 2022 return is since inception on June 28, 2022.

The past performance for the Underlying Fund is available in the Underlying Fund’s annual and interim management report of fund performance and its annual and interim financial statements, all available on www.sedarplus.com.



VALUE
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2023

VPI MORTGAGE POOL

Management Fees

The Pool pays an annual management fee on each of its series (excluding Series I and Series O) to the Manager. The management fee is calculated daily as a percentage of the net asset value of each series as of the close of business on each business day. In consideration for the management fees, the Manager may pay a percentage sales commission and/or trailing commission to registered dealers or brokers for units bought and held in the Pool depending on which series of units were purchased. The Manager also pays a portion of the management fee to the Portfolio Manager for its services in managing the investment portfolio. Series O units of the Pool pay a portfolio management fee based on a percentage of the net asset value of Series O units as of the close of business on each business day calculated at a rate of 0.10% annually.

For the six-month period ended June 30, 2023, approximately 27% 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 19% 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-months ended June 30, 2023, the Pool paid \$189 thousand in management fees (excluding taxes) to the Manager. For the six-month period ended June 30, 2023, the Manager absorbed \$62 thousand of the Pool's operating expenses. In addition, the parent company of the Manager also held 1 Series I unit and 1 Series O unit of the Pool as of June 30, 2023.



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, 2023. *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 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Net assets, beginning of period	9.69	9.97	10.13	9.93	9.82	9.86
Increase (decrease) from operations:						
Total revenue	0.16	0.22	0.19	0.24	0.25	0.25
Total expenses	(0.06)	(0.12)	(0.13)	(0.13)	(0.12)	(0.13)
Realized gains (losses) for the period	(0.08)	(0.13)	0.02	0.03	(0.01)	(0.04)
Unrealized gains (losses) for the period	0.05	(0.21)	(0.18)	0.15	0.10	(0.03)
Total increase (decrease) from operations ⁽²⁾	0.07	(0.24)	(0.10)	0.29	0.22	0.05
Distributions:						
From net investment income (excluding dividends)	(0.10)	(0.07)	(0.04)	(0.18)	(0.11)	(0.10)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.22)	-	(0.01)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.10)	(0.07)	(0.26)	(0.18)	(0.12)	(0.10)
Net assets, end of period	9.66	9.69	9.97	10.13	9.93	9.82

Series F	June 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Net assets, beginning of period	9.28	9.61	9.82	9.68	9.61	9.71
Increase (decrease) from operations:						
Total revenue	0.16	0.21	0.18	0.23	0.24	0.24
Total expenses	(0.03)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Realized gains (losses) for the period	(0.08)	(0.13)	0.02	0.02	(0.02)	(0.04)
Unrealized gains (losses) for the period	0.05	(0.19)	(0.17)	0.16	0.13	(0.03)
Total increase (decrease) from operations ⁽²⁾	0.10	(0.18)	(0.04)	0.34	0.28	0.10
Distributions:						
From net investment income (excluding dividends)	(0.13)	(0.17)	(0.14)	(0.27)	(0.20)	(0.20)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.21)	-	(0.01)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.13)	(0.17)	(0.35)	(0.27)	(0.21)	(0.20)
Net assets, end of period	9.24	9.28	9.61	9.82	9.68	9.61



VPI MORTGAGE POOL

Financial Highlights (continued)

Series I	June 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Net assets, beginning of period	9.26	9.64	9.85	9.77	9.76	9.92
Increase from operations:						
Total revenue	0.16	0.21	0.18	0.23	0.20	0.22
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the period	(0.08)	(0.13)	0.01	0.03	(0.03)	(0.03)
Unrealized gains (losses) for the period	0.04	(0.21)	(0.21)	0.14	0.17	0.02
Total increase from operations ⁽²⁾	0.12	(0.13)	(0.02)	0.40	0.34	0.21
Distributions:						
From net investment income (excluding dividends)	(0.18)	(0.30)	(0.24)	(0.38)	(0.34)	(0.32)
From dividends	-	-	-	-	-	-
From capital gains	-	-	(0.21)	-	(0.01)	-
Return of capital	-	-	-	-	-	-
Total annual distributions ⁽³⁾	(0.18)	(0.30)	(0.45)	(0.38)	(0.35)	(0.32)
Net assets, end of period	9.20	9.26	9.64	9.85	9.77	9.76

Series O ⁽⁴⁾	June 30 2023	December 31 2022
Net assets, beginning of period⁽⁴⁾	9.90	10.00
Increase from operations:		
Total revenue	0.16	0.11
Total expenses	-	-
Realized gains (losses) for the period	(0.05)	(0.05)
Unrealized gains (losses) for the period	(0.11)	(0.06)
Total increase from operations ⁽²⁾	-	-
Distributions:		
From net investment income (excluding dividends)	(0.17)	(0.14)
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions ⁽³⁾	(0.17)	(0.14)
Net assets, end of period	9.73	9.90

(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, 2023.

(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: June 28, 2022



Ratios and Supplemental Data

Series A	June 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Total net asset value (000's) ⁽¹⁾	\$26,813	\$29,603	\$33,569	\$37,456	\$25,847	\$23,792
Number of units outstanding (000's) ⁽¹⁾	2,777	3,054	3,367	3,699	2,603	2,423
Management expense ratio ⁽²⁾	1.38%	1.38%	1.38%	1.38%	1.38%	1.35%
Management expense ratio before waivers or absorptions	1.52%	1.43%	1.51%	1.53%	1.66%	1.63%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	30.94%	28.99%	54.13%	31.78%	53.31%	39.56%
Net asset value per unit ⁽¹⁾	\$9.66	\$9.69	\$9.97	\$10.13	\$9.93	\$9.82

Series F	June 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Total net asset value (000's) ⁽¹⁾	\$17,746	\$21,488	\$30,339	\$21,743	\$13,451	\$15,039
Number of units outstanding (000's) ⁽¹⁾	1,921	2,315	3,156	2,215	1,390	1,565
Management expense ratio ⁽²⁾	0.88%	0.88%	0.88%	0.88%	0.88%	0.85%
Management expense ratio before waivers or absorptions	0.98%	0.90%	0.98%	1.00%	1.14%	0.59%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	30.94%	28.99%	54.13%	31.78%	53.31%	39.56%
Net asset value per unit ⁽¹⁾	\$9.24	\$9.28	\$9.61	\$9.82	\$9.68	\$9.61

Series I	June 30 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019	December 31 2018
Total net asset value (000's) ⁽¹⁾	\$1,163	\$1,242	\$2,219	\$1,389	\$264	\$2,072
Number of units outstanding (000's) ⁽¹⁾	126	134	230	141	27	212
Management expense ratio ⁽²⁾	0.13%	0.13%	0.13%	0.13%	0.13%	0.10%
Management expense ratio before waivers or absorptions	0.46%	0.50%	0.45%	0.46%	0.61%	0.65%
Trading expense ratio ⁽³⁾	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio turnover rate ⁽⁴⁾	30.94%	28.99%	54.13%	31.78%	53.31%	39.56%
Net asset value per unit ⁽¹⁾	\$9.20	\$9.26	\$9.64	\$9.85	\$9.77	\$9.76

Series O has not been included given the only unit issued was held by the Manager as at June 30, 2023. Therefore, there is no applicable information to include in Ratios and Supplemental Data for Series O.

(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
PARTNERS
INVESTMENTS

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the six-month period ended June 30, 2023

VPI MORTGAGE POOL

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.