



POOL RETURNS

	1 Year	3 Year	5 Year	Since Inception
VPI Corporate Bond Pool - Series A	1.8%	4.4%	2.2%	4.9%
FTSE Canada Universe Bond Index *	4.2%	4.7%	0.9%	0.4%
Value Added	-2.4%	-0.3%	1.3%	4.5%

*Please see disclaimer on the last page for more information on the benchmark comparison. Returns as of June 30, 2026.

MARKET OVERVIEW

The U.S. Federal Reserve maintained rates and its rate setting committee's quarterly forecasting indicated broad support for rate increases during the remainder of the year to curb inflation. The new Fed chair began his term by severely curtailing the statement released after the rate-setting meeting. He removed forward guidance that signaled the Fed's next move to the markets. This may result in increased volatility in the Treasury market. Given the borrowing needs of the U.S. treasury, any additional premium demanded by investors may cause deterioration to the government's fiscal situation.

The U.S. hyperscalers are spending on data centre buildout, semiconductors and computing equipment directly tied to AI infrastructure. These high-quality companies are tapping the bond market aggressively, which may cause a "crowding out" of other borrowers including the government.

The Bank of Canada maintained its overnight interest rate at 2.25% in June. The central bank cited that financial conditions have loosened because of higher equity prices and tight credit spreads. Canadian GDP quickly rebounded from a technical recession early in the year. Housing activity has declined and business investment remains weak because of uncertainty relating to the United States-Mexico-Canada Agreement. The U.S. administration's refusal to renew the pact will affect business investment decisions. Canadian inflation is elevated at 2.8% because of higher energy and food prices.

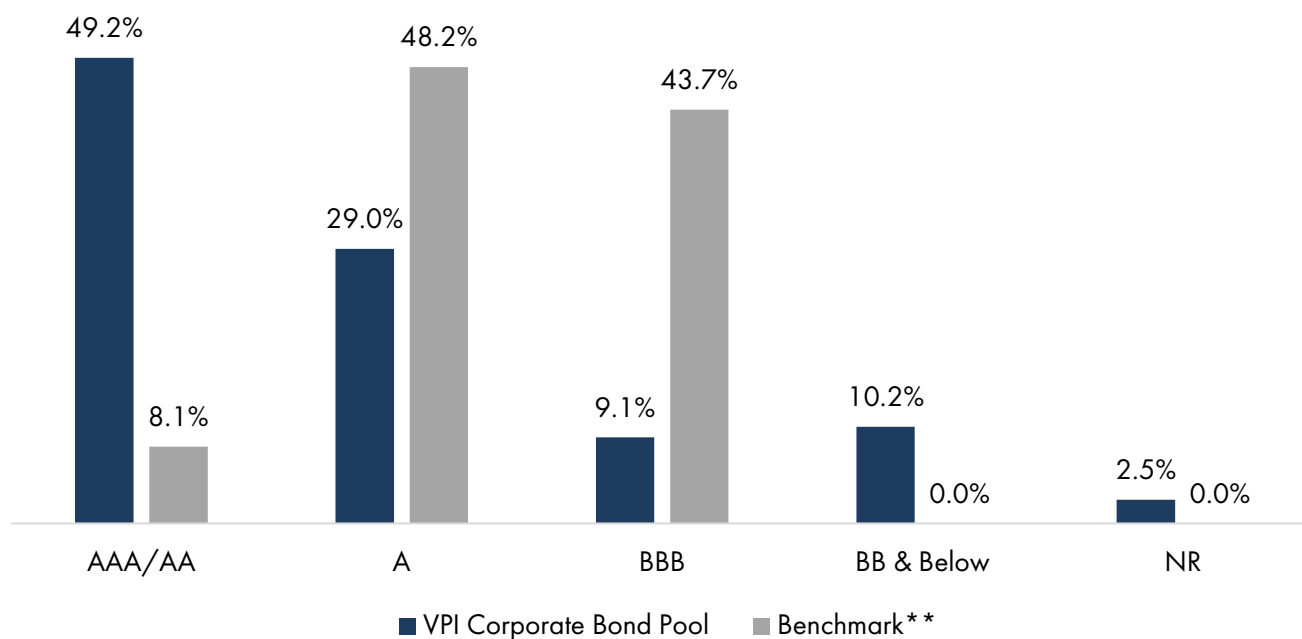
POOL ACTIVITY

The portfolio participated in Alphabet Inc.'s inaugural maple bond deal, buying a position in a 7-year, AA rated senior unsecured bond at a credit spread of 60 bps. The portfolio also purchased a new issue 3-year, AAA rated WTH Car Rental bond at a credit spread of 85 bps above Canadas. The portfolio reduced its position in Mass Mutual and Canada Housing Trust bonds.

A Hertz second-lien convertible was trimmed at prices above par. A 2029 Avis unsecured bond was reduced on opportunity, while a 2027 maturity was partially called by the company. A bond issued by SNC Lavalin was called in the period, while a Spirit AeroSystems position matured.

Note: As of June 30, 2026. Source: Canso Investment Counsel Ltd.





POOL POSITIONING

The portfolio continues to be conservatively positioned with 49.2% invested in AAA/AA rated securities, 41% of which are Federal Government bonds. The AAA/AA weight also includes NHA MBS, bank covered bonds and high quality corporate issues. The BB & Below weight ended the period at 10.2% while non-rated positions represent 2.5% of the portfolio. Portfolio duration ended the quarter at 4.1 years and remains short of the 5.7 year Index duration.

POOL CHARACTERISTICS

	Current Quarter	Previous Quarter
Pool Duration	4.1 years	4.1 years
Benchmark Duration	5.7 years	5.5 years
Pool Yield	4.8%	5.3%
Benchmark Yield	4.0%	4.1%
Weight in Floating Rate	3.4%	3.3%
Weight in Foreign Issuers	12.8%	11.9%
Weight in Foreign Currency	8.6%	10.2%

Pool Characteristics table: Data as of June 30, 2026. Pool Yield is current yield. Pool yield is calculated as the weighted sum of the yields of all securities in the pool. **Benchmark: FTSE Canada All Corporate Bond Index. **Please refer to page 3 for further details on benchmark comparison. Source: Canso Investment Counsel Ltd.



STANDARD PERFORMANCE DATA

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION
SERIES A	1.8%	4.4%	2.2%	4.9%

Note: As of June 30, 2026. Inception: June 29, 2020.

DISCLAIMER

* The FTSE Canada Universe Bond Index ("the Benchmark") is the headline index for the Canadian bond market. This index is provided for information only and comparisons to the index has limitations. The Benchmark is an appropriate standard against which the performance of the VPI Corporate Bond Pool ("the Pool") can be measured over longer time periods as it represents the primary investment environment from which the Portfolio Manager selects securities based on the preservation of capital and long-term growth. The Portfolio Manager attempts to achieve this by purchasing fixed securities of high-quality and value. Although there are similarities, the Benchmark is a broad market index. Therefore, performance deviations relative to the Benchmark may be significant. The Pool also has concentrated investments in a limited number of companies compared to the Benchmark. As a result, a change in one security's value may have more effect on the Pool's value as compared to the Benchmark.

**The FTSE Canada All Corporate Bond Index ("the Benchmark") is a major index for the Canadian bond market. This index is provided for information only and comparisons to the index has limitations. The Benchmark is an appropriate standard against which the performance of the VPI Corporate Bond Pool ("the Pool") can be measured over longer time periods as it represents one of the investment environments from which the Portfolio Manager selects securities based on the preservation of capital and long-term growth. The Portfolio Manager attempts to achieve this by purchasing fixed income securities of high-quality and value. Although there are similarities, the Benchmark is a broad market index. Therefore, performance deviations relative to the Benchmark may be significant. The Pool also has concentrated investments in a limited number of companies compared to the Benchmark. As a result, a change in one security's value may have more effect on the Pool's value as compared to the Benchmark.

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The complete holdings of the Pool are disclosed in its Financial Statements semi-annually. On a quarterly basis, the Pool discloses its top 25 holdings in its Top 25 Holdings report. Both these documents are available on our website at www.valuepartnersinvestments.ca. Value Partners is a registered investment fund manager, portfolio manager, and exempt market dealer and has engaged Canso Investment Counsel Ltd., a registered portfolio manager, to make decisions about the investments made by the Pool – these investment decisions are not made by Value Partners.

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