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Q3 2020 | NEWSLETTER

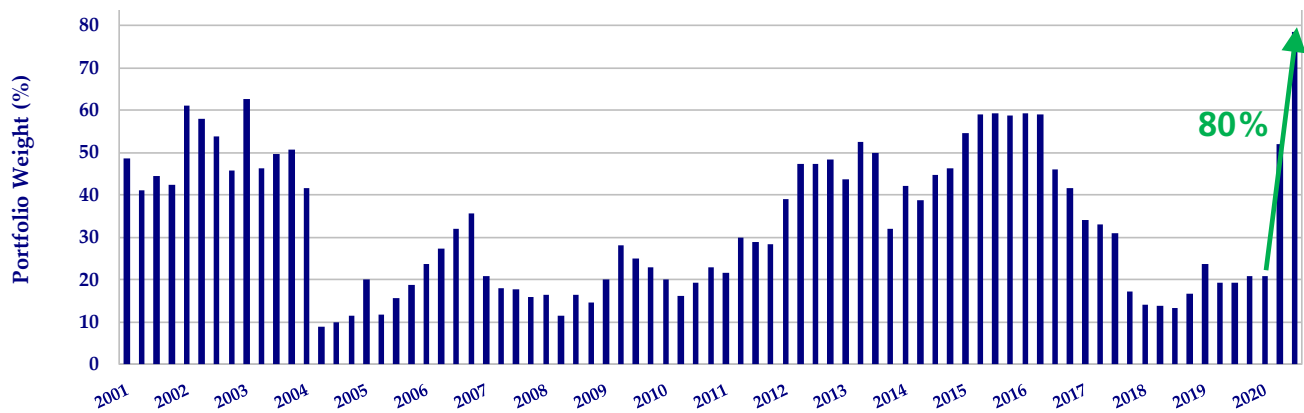
# VPI CORPORATE BOND POOL

DOING BONDS DIFFERENTLY

## THE BIG SHIFT TO HIGH YIELD

When the pandemic hit in March, Canso seized an opportunity to boost their portfolios weighting in high yield to roughly **80%**.

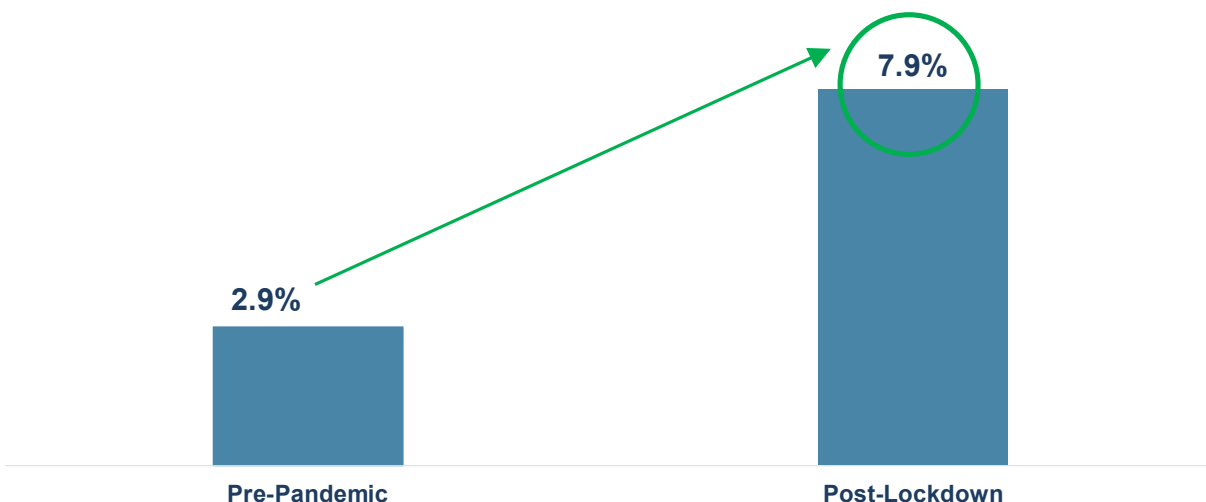
### HISTORICAL ALLOCATION TO HIGH YIELD CANSO CORPORATE VALUE FUND



VPI Corporate Bond Pool is managed using the same investment methodology as Canso Corporate Value Fund. Fund characteristics as of September 30, 2020. YTD as of June 30, 2020. Source: Canso Investment Counsel.

## NEVER LET A CRISIS GO TO WASTE

This swift action increased the portfolio yield from **2.9% to 7.9% in just a matter of weeks**. This is an example of how we continue to take advantage of opportunities when others are fearful.



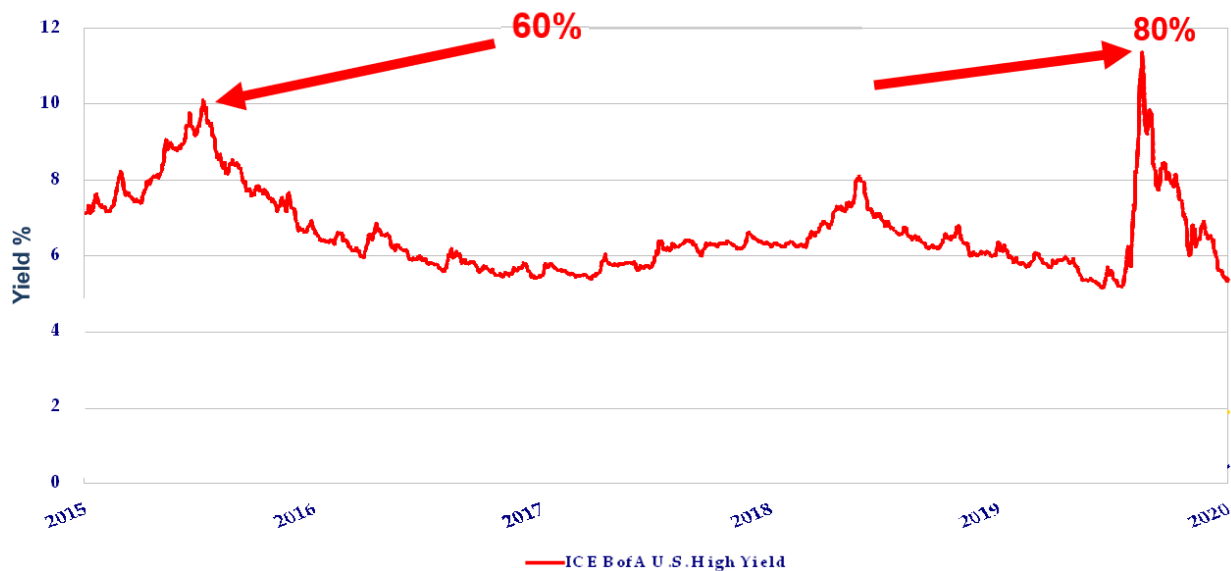
\* "Pre-pandemic" date is as of Dec 31, 2019, "Post-lockdown" date is as of March 31, 2020. The graph represents the change in YTM, for the fixed income portion of the VPI Income Pool from Dec 31, 2019 to March 31, 2020. Canso Investment Counsel Ltd. (Canso) was portfolio manager of fixed income securities portion of VPI Income Pool until June 23, 2020 and will now manage VPI Corporate Bond Pool (the Pool) using the same investment methodology as was deployed in managing fixed income securities portion of VPI Income Pool. This chart has been made available by Canso to demonstrate how its investment methodology that is now being used to manage the Pool has performed in the past. Source: Canso Investment Counsel



## SEIZING THE OPPORTUNITY

There's a pattern here. When yields topped 10 per cent five years ago, Canso upped the high-yield weighting to roughly 60%.

## ICE BANK OF AMERICA U.S. HIGH YIELD



Source: ICE BofA Indexes

Note: Percentages of the Canso Corporate Value Pool are allocated to high yield bonds

## 6% YIELD IN A 1% ENVIRONMENT

Looking at the competition, Canso is thriving in a 1% environment.

**RBC 3 Year GIC Yield**  
0.70%

**30 Year Government of  
Canada Bond Yield**  
1.25%

**VPI CORPORATE  
BOND POOL YIELD**  
6.0%

RBC 3 Year GIC Yield as of October 20, 2020. 30 Year Government of Canada Bond Yield as of October 14, 2020. VPI Corporate Bond Pool Yield as of September 30, 2020. Source: Canso Investment Counsel, Value Partners Investments, RBC.com, MarketWatch

## DISCLAIMER

### Q3 2020



#### DISCLAIMER:

This brochure has been prepared based on information that is publicly available or that has been provided by Value Partners Investments Inc. (Value Partners). The information provided includes views or opinions of Value Partners, in its capacity as the fund manager of VPI Corporate Bond Pool (the Pool), and does not constitute individual, legal, investment, or tax advice about the Pool or the issuers discussed therein. Please consult your own legal, investment, and/or tax advisor prior to making a decision to invest in the Pool.

The complete holdings of the Pool are disclosed in its Statement of Investment Portfolio semi-annually. On a quarterly basis, the Pool discloses its top 25 holdings in its Summary of Investment Portfolio. Both these documents are available on our website at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca). Value Partners is a registered 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.

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the fund facts document and the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance will not tell you how the Pool will perform in the future.



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