

VPI CANADIAN EQUITY POOL

GROWTH THROUGH BUSINESS OWNERSHIP



Cisco systems is a global leader in network technologies which drives connections across devices all around the world

TECH LEADER POSITIONED FOR GROWTH

**Extremely Well
Capitalized**

\$31B

Cash on the
balance sheet

\$15B

Cash generated from
operations in the last year

**To Dominate In Growth
Technologies**



5G Routing



Wi-Fi 6



Hybrid Work



Virtual Meetings



Network Security

KEY METRICS

Market Cap	\$218.6B
Revenues	\$48.0B
Earnings	\$10.1B

**ATTRACTIVE
VALUATION**

15.5X P/E

2.9% Yield

**WELLS
FARGO**

Wells Fargo is America's largest retail bank. They have the largest presence of bank branches in the US and over \$1.4 trillion in low cost deposits

DOMINANT BUSINESS POSITIONED TO GROW

**Huge Beneficiary to
Higher Interest Rates**

+\$1.7B

Increase in income from only a
0.1% increase in interest rates

0.05%

The low cost that Wells Fargo pays
for \$1.4 trillion dollars in deposits

**Investing to
Improve Efficiency**



250

Efficiency
initiatives planned



\$8B

Total potential
gross savings

KEY METRICS

Market Cap	\$162.8B
Revenues	\$58.3B
Earnings	\$1.7B

**ATTRACTIVE
VALUATION**

15.2X P/E

1.0% Yield

Note: All figures as of March 31, 2021 with dollar figures in \$US. Revenue and earnings are trailing twelve month figures with earnings showing net income to shareholders. P/E is calculated using forward next-twelve months estimates. Yield represents current dividend yield. \$1.7B increase to income shows the estimated effect of a 0.1% increase in Wells Fargo's net interest margin to operating income. \$8B in gross savings is the savings estimate management expects from their currently planned 250 efficiency initiatives.

Source: S&P Capital IQ, Value Partners Investments



WHAT WE SAID

HEADS YOU WIN, TAILS YOU WIN

Regardless of circumstance the Pool owns great businesses that are positioned to benefit over the long-term



CISCO: BUILDING THE INFRASTRUCTURE OF NEXT-GENERATION INTERNET

AN INVESTMENT OPPORTUNITY CREATED BY A MARKET LIKE NO OTHER

THE BEST BUSINESSES ARE POSITIONED TO TAKE ADVANTAGE OF OPPORTUNITIES & MANAGE THROUGH UNCERTAINTY

NEVER UNDERESTIMATE THE POWER OF CANADIAN BANKS

WHAT IS DRIVING THE MARKETS?

Shopify and gold stocks have driven the Index higher



GROWTH THROUGH BUSINESS OWNERSHIP

*The path to wealth creation is not a straight line
We believe the most certain way to build wealth is
owning great businesses at great prices*

THE MARKET REQUIRES PROFESSIONAL MONEY MANAGEMENT MORE THAN EVER

YOU DON'T NEED TO OVERPAY TO OWN GREAT TECHNOLOGY COMPANIES



WE KNOW BUILDING WEALTH THROUGH BUSINESS OWNERSHIP WORKS OVER THE LONG-TERM

PAST NEWSLETTERS

January

February

March

April

May

June

July

August

September

October

WHAT HAS HAPPENED

The Pool performed well returning **+9.5%** since the end of January even through the pandemic

Cisco's stock has performed well appreciating **+29.5%** despite lower business spending during the pandemic

The Pool performed very well since the end of March returning **+38.9%**

The businesses we own have managed through the pandemic well and the Pool has returned **+32.9%** since the end of April

The Canadian bank stocks we owned appreciated **+43.1%** since the end of May 2020

Since the end of June Gold stocks returned **-23.3%** while Shopify returned **+7.5%**. The Pool returned **+28.5%** during the same period while avoiding the risks of gold stocks and Shopify

UPS stock had performed extremely well and it has continued to do well appreciating **+19.1%** since the end of July

Market darlings including Tesla, Shopify, Zoom, NVIDIA, and Netflix appreciated **+1.4%** on average versus the Pool that returned **+19.7%** since the end of August

Favorited technology stocks including Tesla, Shopify, Zoom, NVIDIA, Netflix, and Amazon appreciated 1.6% on average versus the Pool that returned **+22.8%**

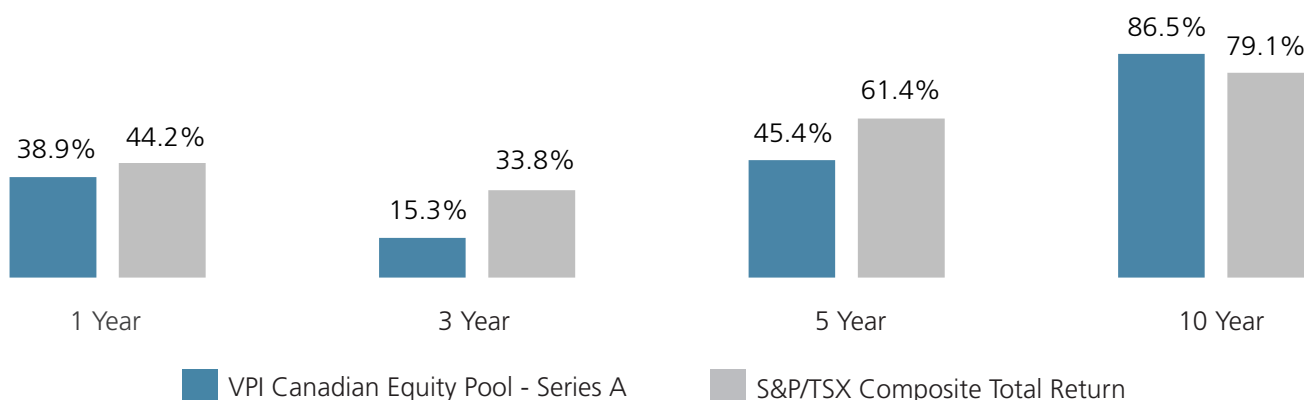
FedEx stock had performed extremely well and has appreciated **+9.5%** since the end of October. Investment gains have increased from \$35.3 to \$39.5 million

Note: "The Pool" refers to the VPI Canadian Equity Pool with performance metrics showing Series A performance. Performance figures for each month are from month-end to March 31, 2021. Gold stocks refers to the S&P TSX Composite Gold Index. FedEx Investment gains show change in investment gains for the Pool from October 31, 2020 to March 31, 2021. All dollar figures in \$CA as of March 31, 2021

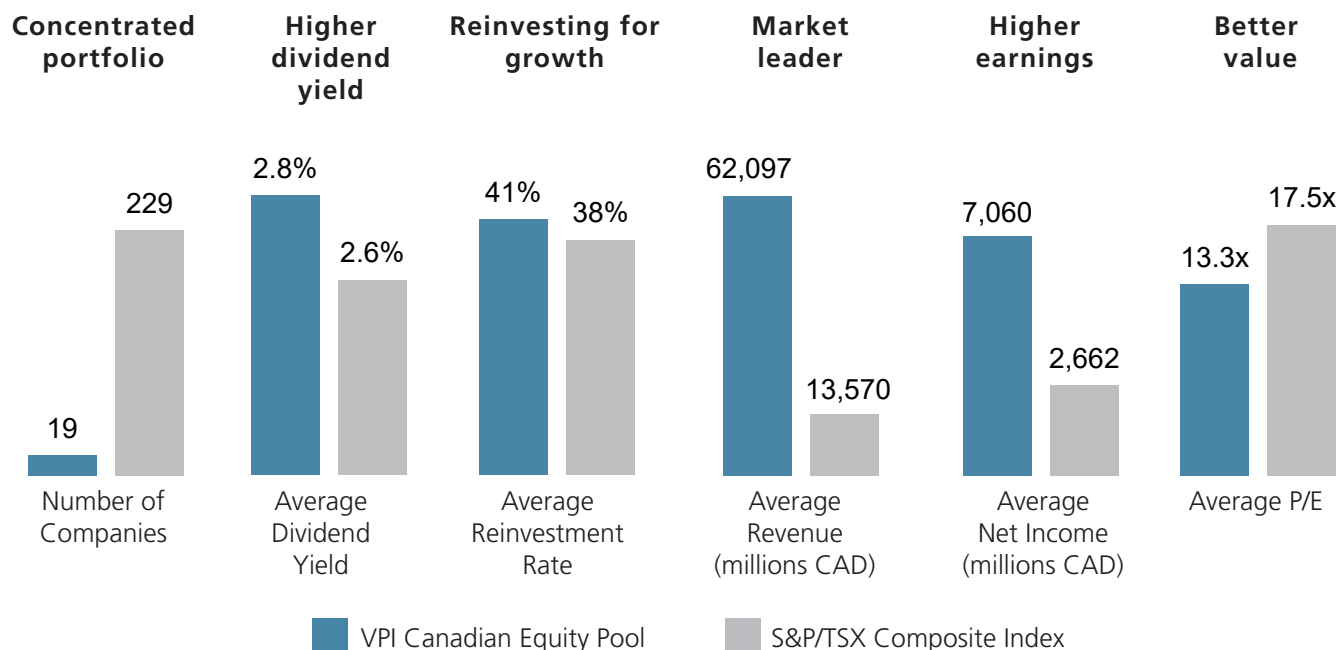
Source: S&P Capital IQ, Value Partners Investments



ABSOLUTE (CUMULATIVE) PERFORMANCE



OWN THE BEST, LEAVE THE REST



Note: Absolute (cumulative) performance ending March 31, 2021. All figures are as of March 31, 2021 with dollar figures in \$CA. All figures except number of companies are calculated as a weighted average. Revenue, reinvestment rate and net income are calculated using trailing 12 months figures. "Average Reinvestment Rate" excludes non-dividend paying companies and the payout is set to 100% for companies with DPS > EPS. "Dividend Yield" pertains to equity holdings in the pool and the index. "Average P/E" reflects consensus estimates for 2021FY. Source: S&P Capital IQ, Value Partners Investments.

STANDARD PERFORMANCE INFORMATION

MARCH 2021



	1 YEAR	3 YEARS	5 YEARS	10 YEARS
SERIES A	38.9%	4.9%	7.8%	6.4%

Note: Annualized returns as of March 31, 2021.

DISCLAIMER

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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. Value Partners is a registered investment fund manager, portfolio manager, and exempt market dealer and is responsible for making decisions about the investments in the Pool.

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. 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. Mutual funds are not guaranteed, their values change frequently, and past performance will not tell you how the Pool will perform in the future, particularly since the investment objectives of the Pool changed effective December 1, 2013 and the portfolio manager of the Pool changed effective January 5, 2015.

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**VALUE
PARTNERS**
INVESTMENTS

300 - 175 Hargrave St, Winnipeg, Manitoba R3C 3R8
TF: 866 323 4235 P: 204 949 0059 F: 204 949 1743

VALUEPARTNERSINVESTMENTS.CA