



# VPI CANADIAN EQUITY POOL

## GROWTH THROUGH BUSINESS OWNERSHIP

### WHAT YOU OWN



2017

2019

- Producing essential energy products
- Environment-focused, reducing carbon footprint with net zero emissions target
- Optimizing operations, growing free cash flow
- Reinvesting for growth

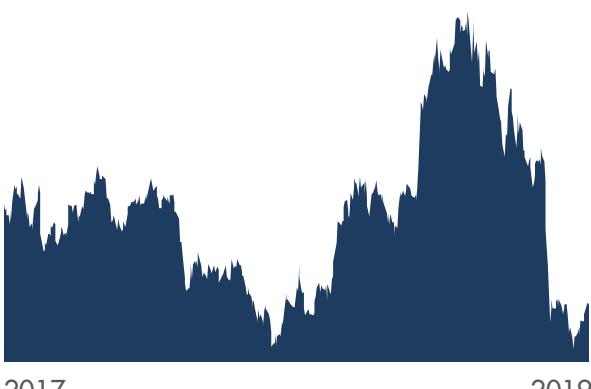
#### TRAILING TWELVE MONTHS AS OF

	Q3 2017	Q3 2019	% CHANGE
<b>REVENUES</b>	\$15,597	\$20,672	33%
<b>CASH FROM OPERATIONS</b>	\$7,079	\$7,772	10%
<b>DIVIDENDS</b>	\$1,308	\$1,729	32%
<b>PRICE</b>	<b>\$44.92</b>	<b>\$42.00</b>	<b>-7%</b>

Revenues, cash from operations, and dividends stated in millions CAD; share prices in CAD as of December 31, 2017 & 2019. Dividends equal common dividends per share times outstanding shares. Source: S&P Capital IQ.

ATTRACTIVE VALUATION | GROWING DIVIDENDS | EXCEPTIONAL MANAGEMENT

### WHAT YOU DON'T OWN



2017

2019

- Canadian gold miner with a focus on West Africa
- Produces product we can live without
- Operating in incredibly unstable regions
- Low probability of success

#### TRAILING TWELVE MONTHS AS OF

	Q3 2017	Q3 2019	% CHANGE
<b>REVENUES</b>	\$331	\$647	95%
<b>CASH FROM OPERATIONS</b>	\$119	\$286	139%
<b>DIVIDENDS</b>	-	-	N/A
<b>PRICE</b>	<b>\$3.57</b>	<b>\$2.70</b>	<b>-24%</b>

Revenues, cash from operations, and dividends stated in millions CAD; share prices in CAD as of December 31, 2017 & 2019. Source: S&P Capital IQ.

HIGH-RISK OPERATIONS | NO DIVIDENDS | WE DON'T NEED GOLD



# VPI CANADIAN EQUITY POOL

## DECEMBER 2019

### 2019 REVIEW

#### GREAT RESULTS

	Investment Gains	Annualized Return	
 <b>United Technologies</b>	<b>\$15.4 million</b>	<b>+11.6%</b>	SOLD COMPANIES THAT GENERATED ATTRACTIVE RETURNS THAT HAD LOWER INVESTMENT RETURN POTENTIAL
 <b>Johnson &amp; Johnson</b>	<b>\$19.7 million</b>	<b>+10.3%</b>	

#### WE ARE BUILDING OWNERSHIP

	Capital Invested	P/E	Dividend Yield	
 <b>FedEx</b>	<b>\$49.2 million</b>	<b>13.5x</b>	<b>1.7%</b>	GREAT BUSINESSES PURCHASED AT ATTRACTIVE VALUATIONS
 <b>intel</b>	<b>\$32.9 million</b>	<b>12.9x</b>	<b>2.1%</b>	
 <b>CISCO</b>	<b>\$41.6 million</b>	<b>14.8x</b>	<b>2.9%</b>	

Valuation metrics as of December 31, 2019.

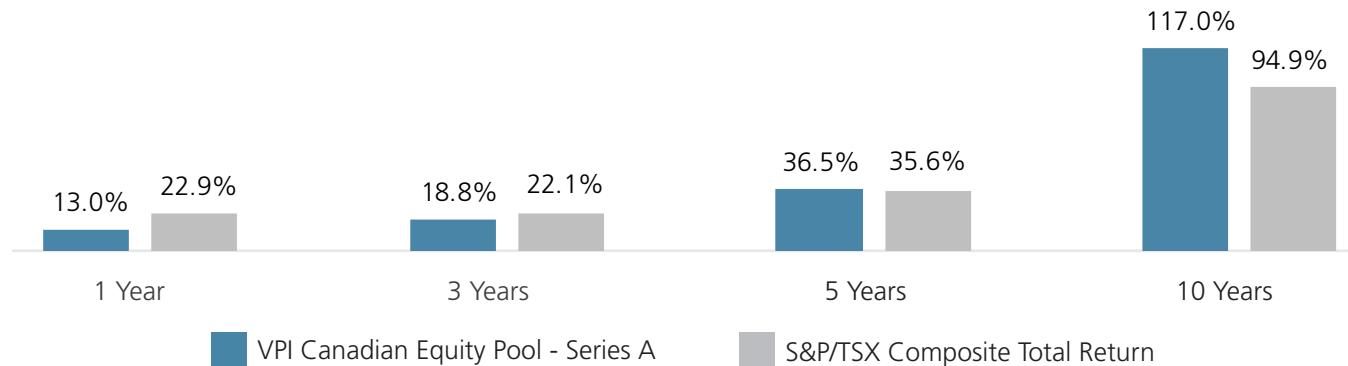
#### GREAT OPPORTUNITY

5 Year Average		Today	
P/E	<b>13.5x</b>	P/E	<b>13.4x</b>
P/CF	<b>6.3x</b>	P/CF	<b>4.5x</b>
Yield	<b>3.2%</b>	Yield	<b>3.5%</b>
<b>5 Year Return (Cumulative)</b>	<b>35%</b>		

Figures for United Technologies and Johnson & Johnson show total investment results in these businesses for the VPI Canadian Equity pool, with \*annualized gain\* calculated as a time-weighted return. United Technologies held from November 19, 2014 to March 23, 2019. J&J held from November 20, 2014 to November 29, 2019. Valuation metrics for FedEx, Intel and Cisco are as of December 31, 2019 with P/E calculated using next-twelve months consensus earnings estimates. The '5 Year Average' represents weighted average of the metrics stated as of December 31, 2013-2018. 2020 Current reflect metrics for the VPI Canadian Equity pool as of December 31, 2019. All dollar figures are in \$CA. Source: S&P Capital IQ, Value Partners Investments

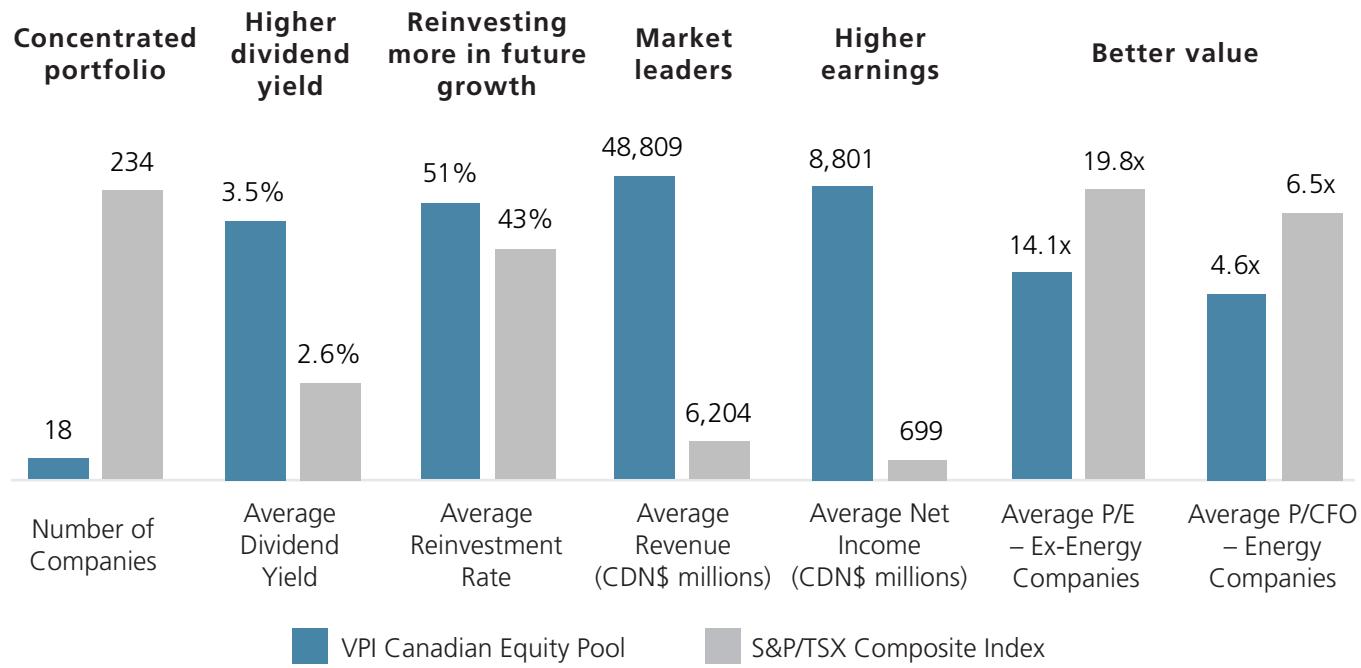


## ABSOLUTE (CUMULATIVE) PERFORMANCE



Source: S&P Capital IQ, Value Partners Investments Inc. Absolute (cumulative) performance ending December 31, 2019.

## OWN THE BEST, LEAVE THE REST



All figures except "Number of Companies" are calculated as a simple average. Average revenue, net income and reinvestment rate are trailing 12 month figures, as of the most recently reported data. "Dividend Yield" pertains to equity holdings in the pool. Average P/E & P/CF ratios reflect consensus estimates for 2020FY. "Average P/E: Ex-Energy" excludes companies classified as operating in the energy industry or with negative P/E or P/E > 100. "Average P/CF: Energy Companies" excludes companies with negative P/CF and P/CF > 100. "Average Reinvestment Rate" excludes non-dividend paying companies and the payout is set to 100% for companies with DPS > EPS. Net Income used to calculate reinvestment rate and average net income for VPI owned companies has been adjusted to account for one time items regarding the U.S. Tax Act. "Average Reinvestment Rate" excludes companies classified as operating in the energy industry. Source: S&P Capital IQ, Value Partners Investments. As of December 31, 2019.

# STANDARD PERFORMANCE INFORMATION

## DECEMBER 2019



	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<b>SERIES A</b>	13.0%	5.9%	6.4%	8.1%

Note: Annualized returns as of December 31, 2019.

### 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](http://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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