



VALUE
PARTNERS
INVESTMENTS

MAY 2020 | NEWSLETTER

VPI CANADIAN EQUITY POOL

GROWTH THROUGH BUSINESS OWNERSHIP

WHAT YOU OWN



SHARE PRICE



2019

2020

WHAT YOU DON'T OWN



SHARE PRICE



2019

2020

2 YEAR CUMULATIVE RESULTS

Cisco Systems

\$101.9
billion



REVENUE

MARKET
CAPITALIZATION

\$201.9 billion

\$24.0
billion



NET
INCOME

\$11.9
billion

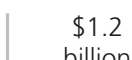


DIVIDENDS

- Powering collaboration globally
- Generates almost \$15 billion in free cash flow annually
- Over \$28 billion in cash on the balance sheet
- Attractively valued at 15x earnings

Zoom Communications

\$1.2
billion



\$0.05
billion



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MARKET
CAPITALIZATION
\$50.6 billion

- Popular product
- Undiversified business
- Low barriers to entry
- 161x earnings, low probability of investor success

Note: Earnings multiple using next-twelve months consensus earnings estimates. All amounts in \$US as of May 31, 2020. 2 Year cumulative results were used as Zoom only has 2 years of publicly reported results available at this time. Source: S&P Capital IQ, Value Partners Investments.



NEVER UNDERESTIMATE THE POWER OF CANADIAN BANKS

- The banks have always had a reliable track record of growing their businesses.
- They have faced recessions, a financial crisis, a pandemic, tech bubbles, commodity crashes, and extremely low interest rates.
- Regardless they continue to grow earnings and dividends over the long-term.
- We call this heads you win, tails you win, to keep the odds in our favour.

INCOME SOURCES



\$163.5 billion

- Trading and Other Income
- Fee Income
- Net Interest Income



\$49 billion
Pretax Profit

EXPENSES



\$114.5 billion

- Loan Loss Provisions
- Bank Expenses

ATTRACTIVE VALUE



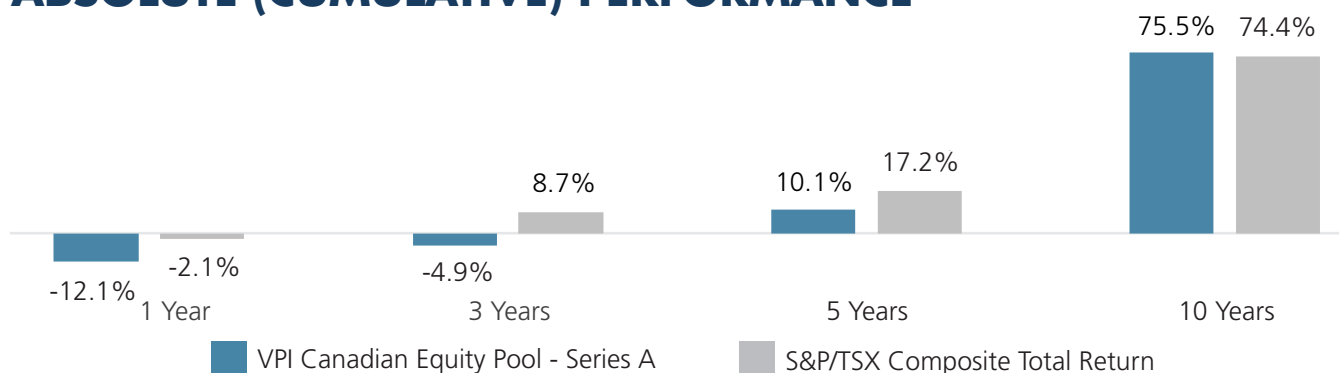
- Canadian Banks, Average Yield
- Canada Government Debt - 10 Year Yield

The banks trade at low valuations in the context of their future earnings power. Simply the dividend yield today offers investors a substantial opportunity today.

Note: Canadian Banks refers to RBC, CIBC, TD, BMO and Scotiabank. 'Income Sources' and 'Expenses' are combined results for the Canadian Banks. 'Canadian Banks - Average Yield' shows the average dividend yield for the Canadian banks. All dollar figures in \$CA as of May 31, 2020. Source: Company Investor Relations, S&P Capital IQ, Value Partners Investments

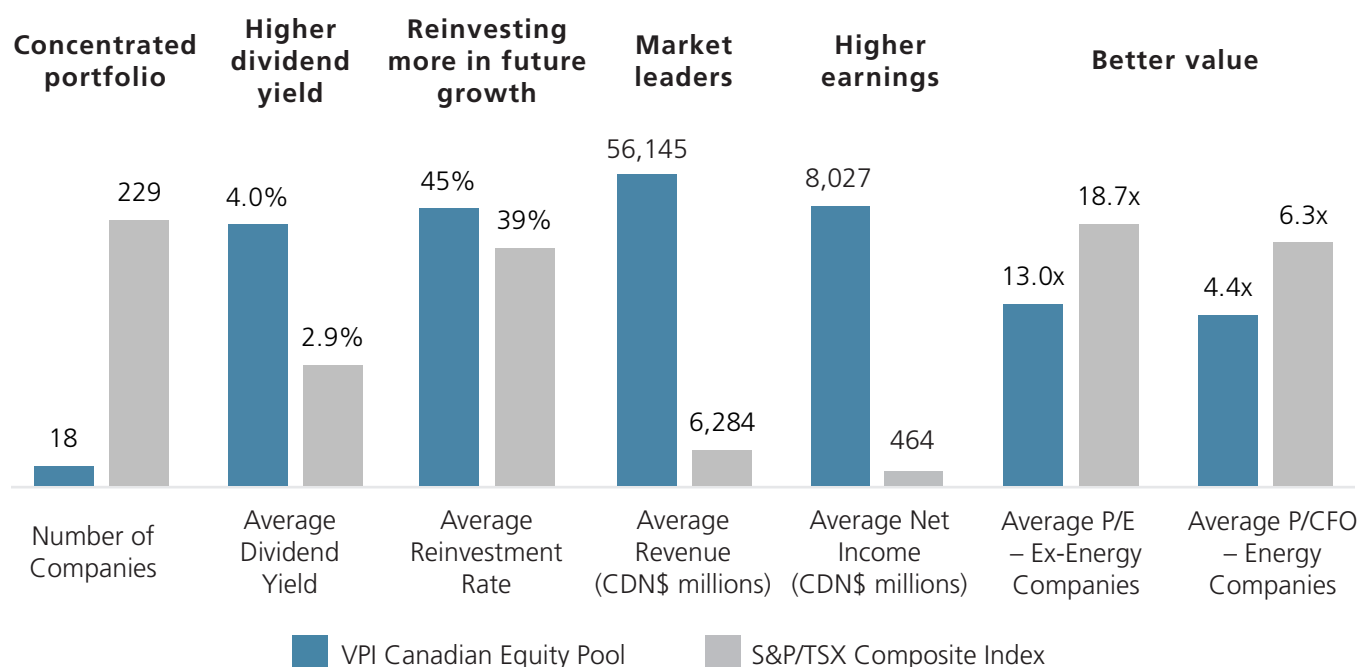


ABSOLUTE (CUMULATIVE) PERFORMANCE



Source: S&P Capital IQ, Value Partners Investments Inc. Absolute (cumulative) performance ending May 31, 2020.

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 2021FY. "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 May 31, 2020.

STANDARD PERFORMANCE INFORMATION

MAY 2020



	1 YEAR	3 YEARS	5 YEARS	10 YEARS
SERIES A	-12.1%	-1.7%	1.9%	5.8%

Note: Annualized returns as of May 31, 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 portfolio manager of VPI Canadian Equity Pool ("the Pool" or "the Fund"), and does not constitute individual, legal, investment, or tax advice about the Pool or the issuers discussed therein. Information about specific issuers of securities has been made available by Value Partners for the sole purpose of providing additional background information on the holdings in the Pool, and is not intended to be investment advice about the merits of investing directly in these issuers. The comparison of specific stocks as "What You Own" and "What You Don't Own" is provided to illustrate the key characteristics that Value Partners uses in its investment process to identify great businesses at reasonable prices. 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. 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 Fund will perform in the future, particularly since the investment objectives of the Fund changed effective December 1, 2013 and the portfolio manager of the Fund changed effective January 5, 2015.

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