VALUE PARTNERS INVESTMENTS

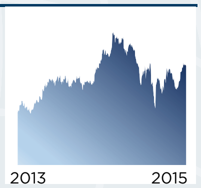
VPI CANADIAN EQUITY POOL

APRIL 2015

WHAT YOU OWN

SUNCOR

- Difficult commodity pricing
- Ability to adapt
- Growing dividends



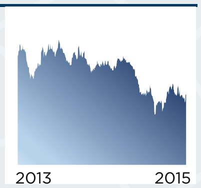
	TRAILING TWELVE MONTHS (Q4-2012)	(Q4-2014)	% CHANGE
Revenues	$ 38,107	$ 39,862	5%
Earnings	$ 4,883	$ 3,621	(26%)
Dividends	$ 756	$ 1,490	97%
SHARE PRICE	**$ 32.71**	**$ 39.86**	**22%**

* Revenues, Earnings, Dividends stated in millions CAD; Share price stated in CAD; 2014 Share price as of April 29, 2015

WHAT YOU DON'T OWN

Teck

- Difficult commodity pricing
- Limited financial capacity
- Cut dividend 67% in April



	TRAILING TWELVE MONTHS (Q4-2012)	(Q4-2014)	% CHANGE
Revenues	$ 10,343	$ 8,599	(17%)
Earnings	$ 925	$ 453	(51%)
Dividends	$ 469	$ 518	10%
SHARE PRICE	**$ 36.15**	**$ 17.82**	**(51%)**

* Revenues, Earnings, Dividends stated in millions CAD; Share price stated in CAD; 2014 Share price as of April 29, 2015

Source: Bloomberg L.P.

TRADE REVIEW

MAGNA

"Clients have made $29,496,679 for a total return of 132%"

- Invested at great prices
- Company has grown the business
- Financial capacity for dividend growth
- Stock trades below estimated intrinsic value

Original Purchase Date	June 21, 2011
TOTAL INVESTED CAPITAL	**$22,362,265**
NET INVESTED CAPITAL	**$11,181,132**
CURRENT MARKET VALUE	**$31,000,000**
Gains/(Losses)	$27,655,469
Dividends Collected	$1,841,210
INVESTMENT GAINS	**$29,496,679**

* Gains include realized and unrealized since initial purchase; Net invested capital is equivalent to current book value; as of April 29, 2015

	INITIAL PURCHASE	2014	% CHANGE
Revenues	$ 25,304	$ 40,478	60%
Earnings	$ 1,101	$ 2,138	94%
Dividends	$ 161	$ 349	117%
SHARE PRICE	**$ 23.83**	**$ 62.00**	**160%**

* Revenues, Earnings, Dividends stated in millions USD; Share price stated in CAD

Source: Bloomberg L.P., Value Partners Investments

POOL UPDATE

Earnings season is starting once again and the Canadian banks are expected to report good earnings once again, while the energy companies are expected to report very weak results. Despite the collapse in energy prices, we continue to own four energy companies with strong balance sheets and the financial flexibility to operate their business, minimize growth spending, and maintain their dividends. Many of their competitors do not have the same financial flexibility and will have leveraged themselves for a higher commodity price environment. We will continue to be patient with the energy companies we own and wait for the global supply and demand fundamentals to rebalance. The pool is sitting on over 9% cash at the moment. We will do the due diligence necessary to ensure the prices we pay and the businesses we own are prudent investment choices for our unitholders. We would rather invest with greater certainty for a reasonable return over the long-term than speculate for a potential high return over the short-term.

WE HAVE SEEN THIS MOVIE BEFORE

We have seen this movie before and it does not have a happy ending:

Scene 1: Investors buy stocks without regard for valuations

Scene 2: Investors feel great about rising share prices

Scene 3: Stocks inevitably reflect the intrinsic value of the business based on owner earnings

Scene 4: Investors watch their wealth disappear and wished they had invested rather than speculated

Scene 5: Investors lower their lifestyle and rethink their retirement plans

The table to the right shows five Internet based companies that have performed extremely well for investors. Since they do not trade on earnings and basically trade on sentiment, the predictability of those stocks becomes materially less. When a high valuation stock is burdened with negative sentiment; investors suffer from dramatically lower share prices. Twitter reported results yesterday (Apr 28th) and the stock plummeted 22%. That means investors lost over $6 billion in one day. Twitter was losing money before and they are losing money now. The business has not changed, but sentiment did in the blink of an eye.

We will become owners of a business, provided the business is sustainable, has the financial capacity to succeed, and trades at a reasonable valuation that should allow our unitholders a high probability of reasonable returns over the long-term.

	Market Capitalization	Net Income	Share Price Change from 52 Week Low
Amazon	$200,792	$(406)	52%
Facebook	$226,863	$2,795	45%
LinkedIn	$32,506	$(16)	90%
Twitter	$26,288	$(608)	36%
Netflix	$33,855	$237	80%
Total	$520,304	$2,003	–
Scotiabank	$80,539	$7,095	10%

* Net Income is trailing twelve months reported results; Market Capitalization and Share Price Change From 52-week Low as of April 29, 2015

Source: Bloomberg L.P.

The Pool continues to own Scotiabank, which earns more than 3.5x all five companies combined in the table above. Scotiabank also pays our unitholders a 4.0% dividend. These five companies do not. Granted, Facebook makes a lot of money, $2.8 billion in earnings the last 12 months, but the company is valued at $227 billion. For some perspective, at that valuation Scotiabank would be valued at $575 billion in the marketplace; rather than the $80 billion currently. Even for a great business such as Scotiabank, that valuation would be excessive, making it the second most valuable company in the world behind Apple.

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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 and portfolio manager, and is responsible for making decisions about the investments in the Pool.

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