



WHAT YOU OWN



	TRAILING TWELVE MONTHS AS OF		
	FQ2 2015	FQ2 2016	% CHANGE
Revenues	\$28,888	\$30,750	6%
Earnings	\$8,029	\$8,599	7%
Dividends	\$3,555	\$3,855	8%
SHARE PRICE	\$54.15	\$57.11	5%

- The second largest bank in Canada by assets, serving 23 million customers across ~2,500 North American retail locations
- Long history of dividend growth, one of the most profitable businesses in the world
- Diverse product & service offering, with #1 or #2 market share in most retail products in Canada
- Strong internal controls & corporate governance
- Over \$571 billion in deposits to fund lending

Revenues, Earnings, Dividends stated in millions CAD; share price stated in CAD; share prices as of May 31, 2015 & 2016. Earnings have been adjusted to exclude the impact of non-recurring items.

Source: S&P Capital IQ

Highly profitable

Growing dividend stream

Entrenched business model

WHAT YOU DON'T OWN



	TRAILING TWELVE MONTHS AS OF		
	Q1 2015	Q1 2016	% CHANGE
Revenues	\$254	\$501	98%
Earnings	-\$26	\$4	N/A
Dividends	-	-	N/A
SHARE PRICE	\$19.21	\$4.76	-75%

- Hyped as the next evolution of banking
- A peer-to-peer lending company connecting borrowers and lenders online
- Questionable internal controls and corporate governance
- The business model is flawed
- No profits, no dividends
- Reliant on wholesale funding

Revenues, Earnings, Dividends stated in millions USD; share price stated in USD; share prices as of May 31, 2015 & 2016. Earnings have been adjusted to exclude the impact of non-recurring items.

Source: S&P Capital IQ

Not profitable

Does not pay dividends

Flawed business model

DIVIDENDS ARE GROWING, SHARE PRICE SHOULD FOLLOW!

	DIVIDEND GROWTH				SHARE PRICE GROWTH
	1 Year	3 Year	5 Year	10 Year	10 Year
Agrium Inc.	14%	133%	3082%	3082%	338%
Bank of Montreal	5%	15%	19%	69%	33%
The Bank of Nova Scotia	6%	22%	41%	100%	45%
Canadian Imperial Bank of Commerce	11%	22%	30%	67%	26%
Canadian Natural Resources Limited	2%	109%	192%	622%	34%
Canadian Utilities Ltd.	10%	34%	58%	118%	76%
Fortis Inc.	10%	18%	27%	135%	70%
Husky Energy Inc.	-50%	-50%	-50%	54%	-52%
Johnson & Johnson	7%	23%	39%	127%	87%
Magna International Inc.	15%	58%	127%	147%	152%
Microsoft Corporation	15%	56%	128%	231%	134%
National Bank of Canada	8%	32%	66%	130%	42%
Royal Bank of Canada	6%	32%	58%	141%	75%
Suncor Energy Inc.	7%	121%	188%	858%	-18%
The Toronto-Dominion Bank	8%	35%	67%	148%	91%
Union Pacific Corporation	10%	71%	210%	633%	263%
United Technologies Corporation	6%	23%	51%	191%	61%
	5%	44%	255%	403%	86%

Share price change based on trading currency. Dividend growth based on reported currency, and represents growth in trailing 12 month dividends versus comparable periods. Current holdings as of May 31, 2016. Source: S&P Capital IQ, Value Partners Investments Inc.

“Growing dividends and strong fundamentals are the foundation for share price growth.”

STANDARD PERFORMANCE INFORMATION (MAY 31, 2016)

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Series A	0.23%	9.61%	5.86%	5.58%

Note: Annualized returns

DISCLAIMER

Information about specific issuers of securities has been made available by Value Partners Investments Inc. (Value Partners) for the sole purpose of providing additional background information on the holdings in the VPI Canadian Equity Pool (the Pool) and is not intended to be investment advice about the merits of investing directly in these issuers views. Unless otherwise indicated, the source of this information is S&P Capital IQ or research done by Value Partners. 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

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.

The information provided does not constitute individual, legal, investment, or tax advice about the Pool or the issuers discussed therein. Any views or opinions expressed in this newsletter are those of the portfolio manager and are subject to change at any time due to changing circumstances and/or market conditions. Please consult your own legal, investment, and/or tax advisor prior to making a decision to invest in the Pools.

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 rates of return are the historical annual compounded total returns including changes in net asset value and assume reinvestment of all distributions and are net of all management and administrative fees, but do not take into account sales, redemption 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 may not be repeated.

Certain of the statements may contain forward-looking statements which involve known and unknown risk, uncertainties and other factors which may cause the results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Past performance is not indicative of future performance, 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.

Value Partners Investments Inc. ("the Manager") is the Portfolio Manager for VPI Canadian Equity Pool. David Atkins is the individual at the Manager responsible for managing the portfolio of the Pool, and has been with the Manager since November 24, 2014. Prior thereto, he was Vice President, Investments and Portfolio Manager at Cardinal Capital Management, Inc. and had been associated with Cardinal for over 10 years. Under the Trust Agreement, the Manager may provide directly, or may arrange for other persons or companies to provide, certain services to the Pools, including portfolio management services.

