

## **Value Partners Pools**

**Amended and Restated Annual Information Form dated  
November 1, 2011, amending and restating the  
Annual Information Form dated June 30, 2011**

Series A Units, Series B Units, Series F Units and Cardinal Series Units  
of

**VPI Canadian Income Pool  
VPI Canadian Equity Pool**

Series A Units, Series B Units and Series F Units  
of

**VPI Foreign Equity Pool  
VPI Value Pool  
VPI Canadian Balanced Pool**

*No securities regulatory authority has expressed an opinion about these Units  
and it is an offence to claim otherwise.*

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## **Name, Formation and History of the Value Partners Pools**

This annual information form is for the following mutual funds, which were established as trusts on the dates indicated (collectively, the “Value Partners Pools” or “Pools”, individually, the “Value Partners Pool” or “Pool”). The Value Partners Pools are governed by a trust agreement under the laws of Ontario with RBC Dexia Investor Services Trust as trustee:

- VPI Canadian Income Pool – September 26, 2005. This Pool was originally named Value Partners Canadian Income Pool and subsequently changed its name effective September 27, 2007 to VPI Cardinal Canadian Income Pool. Effective June 30, 2011 the Pool’s name changed to VPI Canadian Income Pool.
- VPI Canadian Equity Pool – September 26, 2005. This Pool was originally named Value Partners Canadian Equity Pool and subsequently changed its name effective September 27, 2007 to VPI Cardinal Canadian Equity Pool. Effective June 30, 2011, the Pool’s name changed to VPI Canadian Equity Pool.
- VPI Foreign Equity Pool – September 26, 2005. This Pool was originally named Value Partners Foreign Equity Pool and subsequently changed its name effective September 27, 2007 to VPI Cardinal Foreign Equity Pool. Effective June 30, 2011, the Pool’s name changed to VPI Foreign Equity Pool.
- VPI Value Pool – September 19, 2007. This Pool was originally named VPI CGOV World Equity Pool and subsequently changed its name effective June 30, 2011 to VPI World Equity Pool. Effective November 1, 2011, the Pool’s name changed to VPI Value Pool.
- VPI Canadian Balanced Pool – September 19, 2007. This Pool changed its name effective June 30, 2011 and was formerly known as VPI Dixon Mitchell Canadian Balanced Pool.

Prior to July 3, 2007, each of VPI Canadian Equity Pool and VPI Canadian Income Pool offered one series of units, Series A units. As of July 3, 2007, each of these Pools also offer Series B, Series F and Cardinal Series units.

Prior to July 3, 2007, VPI Foreign Equity Pool offered one series of units, Series A units. From July 3, 2007 until October 31, 2011, this Pool also offered Series B, Series F and Cardinal Series units. As of November 1, 2011, this Pool offers only Series A, Series B and Series F units.

From September 26, 2005 to October 31, 2011, the portfolio manager of VPI Foreign Equity Pool was Cardinal Capital Management, Inc. As of November 1, 2011, the portfolio manager of VPI Foreign Equity Pool is Patient Capital Management Inc.

From September 19, 2007 to October 31, 2011, the portfolio manager of VPI Value Pool was CGOV Asset Management Inc. As of November 1, 2011, the portfolio manager of VPI Value Pool is Patient Capital Management Inc.

Effective January 1, 2006, RBC Dexia Investor Services Trust carries on the institutional investor services business formerly carried on by The Royal Trust Company and Royal Trust Corporation of Canada (collectively, Royal Trust). Pursuant to an Asset Purchase agreement dated as of January 1, 2006, Royal Trust assigned and transferred all of the assets of its institutional investor services business to RBC Dexia Investor Services Trust.

In accordance with section 12.3 of the trust agreement for the Value Partners Pools, the trusteeship for the Value Partners Pools was assigned to RBC Dexia Investor Services Trust.

The Manager of the Value Partners Pools is Value Partners Investments Inc. (“Value Partners”). The head office of the manager and of each of the Value Partners Pools is located at:

Suite 400, 305 Broadway  
Winnipeg, Manitoba  
R3C 3J7  
Telephone: 1-866-323-4235  
Fax: 1-204-949-1743  
Email: [info@vpinvestments.ca](mailto:info@vpinvestments.ca)  
Website: [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca)

### **Investment Restrictions**

Each of the Value Partners Pools is managed in accordance with Canadian securities legislation, including National Instrument 81-102 *Mutual Funds*. This means that the Pools are subject to certain restrictions and practices contained in that legislation, which are designed in part to ensure that the investments of the Pools are diversified and relatively liquid and to ensure the proper administration of the Pools.

The fundamental investment objectives of each of the Value Partners Pools are set out in the Simplified Prospectus. Any change in the investment objectives of a Value Partners Pool requires the approval of a majority of Unitholders at a meeting called for that purpose. Value Partners (the Manager) may change the investment strategy of a Value Partners Pool from time to time at its discretion.

### **Securities Lending, Repurchase and Reverse Repurchase Transactions**

Each of the Value Partners Pools may engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulation. Securities lending, repurchase and reverse repurchase transactions enable a Value Partners Pool to earn additional income and thereby enhance its performance

A securities lending transaction involves a Value Partners Pool lending securities that it owns to a third party borrower where the borrower promises to return to the Pool at a later date an equal number of the same securities and pay a fee to the Pool for borrowing the securities. While the securities are borrowed, the borrower provides the Pool with collateral consisting of a combination of cash and/or securities. A repurchase transaction involves a Value Partners Pool selling securities that it owns to a third party for cash while at the same time agreeing to buy back the securities at a later date (usually at a lower price) using the cash received by the Pool from the third party. A reverse repurchase transaction involves a Value Partners Pool purchasing certain types of debt securities from a third party while at the same time agreeing to sell the securities back to the third party at a later date (usually at a higher price).

When conducting securities lending, repurchase and reverse repurchase transactions, a Pool must:

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Pool's portfolio adviser, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum of 102 percent of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be;
- adjust the amount of the collateral provided each business day to ensure the value of the collateral relative to the market value of the securities loaned, sold or purchased is not less than the minimum 102 percent limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to no more than 50 percent of the total assets of the Pool (without including the collateral for loaned securities and cash for sold securities).

### **Description of the Securities Offered by the Pools**

Each Value Partners Pool may have an unlimited number of series of units and may issue an unlimited number of units of each series.

Each Pool offers Series A Units, Series B Units and Series F Units and VPI Canadian Income Pool and VPI Canadian Equity Pool also offer Cardinal Series Units.

Units represent your ownership in the Pool. Certificates for Units are not issued. Units of a Value Partners Pool may be subdivided or consolidated by Value Partners upon 21 days advance notice to the trustee and to affected Unitholders. You will receive distributions of your pro rata share of the Pool's net income and net capital gains. Investors will receive the same distribution per unit for all distributions of net income, net capital gains

and returns of capital, other than management fee distributions (see Management Fee Reduction Program).

If a Pool is ever terminated, each unit that you own in that Pool, will participate equally with each other unit in the assets of the Pool after all of the Pool's liabilities have been paid. Units may be switched for other units of the Pools as described under "Switching Units" and may be redeemed as described under "Redeeming Units".

You have the right to exercise one vote for each unit held at meetings of all investors of the Pool. Value Partners is required to convene a meeting of investors of a Pool to ask them to consider and approve, by not less than a majority of the votes cast at the meeting (either in person or by proxy), any of the following material changes if they are ever proposed for a Pool:

- a change in the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of a Value Partners Pool;
- in certain cases, if a Value Partners Pool undertakes a reorganization with, or transfers its assets to, another mutual fund or acquires another mutual fund's assets;
- a decrease in the frequency of the calculation of a Pool's net asset value per security; and
- a change in the method of calculating a fee or expense charged to the Value Partners Pool or directly to its Unitholders if the change could increase the charges to the Value Partners Pool or its Unitholders.

The Manager may decide to merge one Pool with another Pool, provided that it complies with applicable securities regulation and obtains the approval of the IRC for such merger transaction. Although you may not be asked to vote on such transaction if you are an investor in the merging Pool, you will receive at least 60 days notice of such merger transaction, if the IRC approves the proposed merger.

The Manager may decide to change the auditors of the Pools, subject to compliance with disclosure requirements of securities regulators and IRC approval. You will not be asked to vote on this change, but you will receive 60 days advance notice of the change if the IRC approves the proposed change.

The Manager, with the approval of the trustee, may amend the Trust Agreement of a Value Partners Pool without approval of or notice to the relevant Unitholders if the proposed amendment may be made by law without such approval or notice and where the amendment is not expected to have an adverse effect on the pecuniary value of the interests of Unitholders.

## Valuation of Portfolio Securities

In calculating the Net Asset Value (NAV) for each series of each Value Partners Pool, the Trustee will value the various assets as described below. The Trustee may deviate from these valuation practices in circumstances where this would be appropriate, for example, if trading in a security is halted because of significant negative news about the company.

Type of Asset	Method of Valuation
Cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received	Valued at full face value unless the Trustee determines any such deposit or call loan is not worth the face amount thereof, in which case the Trustee will determine a reasonable value.
Short-term investments, including notes and money market instruments	Cost plus accrued interest
Bonds, debentures and other debt obligations	Valued by taking the average of the bid and asked prices on a Valuation Day at such times as the Trustee in its discretion, deems appropriate.
Securities, index futures or index options thereon listed or traded on a stock exchange	Closing sale price at the Valuation Date or, if there is no closing sale price, the average between the closing bid and the closing asked price on the date on which the valuation is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange, provided that if such stock exchange is not open for trading on that date, then the last previous date on which such stock exchange was open for trading.
Securities for which a market quotation is not readily available	Fair market value as determined by the Trustee.
Restricted securities as defined in National Instrument 81-102	One of the following values, whichever is less: <ul style="list-style-type: none"> <li>• the value based on reported quotations in common use;</li> <li>• a percentage of the market value of unrestricted securities of the same class. This percentage will be based on the securities' market value when the Value Partners Pool bought them but will take into account, if appropriate, the amount</li> </ul>

	of time remaining until the restricted securities will cease to be restricted.
Assets valued in foreign currency, deposits, contractual obligations payable to a Value Partners Pool in foreign currency and liabilities and contractual obligations the Value Partners Pool must pay in foreign currency	Valued using the exchange rate obtained from the best possible sources to the Trustee.

The following are liabilities of each Value Partners Pool:

- all bills and accounts payable;
- all administrative expenses payable and/or accrued;
- all contractual obligations to pay money or property, including distributions the Value Partners Pool has declared but not yet paid;
- allowance that the Manager has approved for taxes or contingencies;
- compensation and expenses of the Value Partners Pools' Independent Review Committee; and
- all other liabilities of the Value Partners Pool except liabilities to investors for outstanding Units.

### **Calculation of Net Asset Value**

The NAV per unit of each series of a Value Partners Pool is determined on a daily basis as at the close of trading on The Toronto Stock Exchange (TSX) on each day on which such exchange is open for business, unless the Manager has declared a suspension of such calculations as described below under "Redeeming Units". The day on which the series NAV is calculated is referred to in this annual information form as a "Valuation Date".

The NAV per unit of each series of a Value Partners Pool is calculated by dividing the particular series proportionate share of the value of the net assets of the Value Partners Pool (the value of the series proportionate share of the assets less the series proportionate share of the common liabilities and any series liabilities of the particular Value Partners Pool) by the total number of units of such series of such Value Partners Pool then outstanding.

The series NAV per unit is the price for all purchases of units (including the reinvestment of distributions) and for redemptions. The issue and redemption price of units of a series of a Value Partners Pool is based on the series NAV per unit next determined after the request for an issue or redemption of such units is received.

When a portfolio transaction becomes binding, the transaction is included in the next calculation of the Value Partners Pool's series NAV. Sales and purchases of units of the Value Partners Pool are included in the next calculation of series NAV after the purchase or sale is completed.

The NAV per unit of each of the Pools, for all purposes other than financial statements, is calculated using the valuation principles described above. An investment fund is required to calculate the NAV per unit for the purposes of its financial statements in accordance with Canadian generally accepted accounting principles (GAAP), which was modified by the introduction of Section 3855 of the Canadian Institute of Chartered Accountants Handbook ("Section 3855"). The adoption of Section 3855 impacts the valuation and disclosure of the net assets of an investment fund for financial reporting purposes. These standards require that the fair value of investments which are traded in active markets, where quoted prices are readily and regularly available, be measured based on the bid price for securities purchased long and ask price for securities sold short rather than on closing prices currently used for the purpose of determining NAV. For investments that are not traded in an active market, fair valuation techniques are used. The financial statements of each Pool includes a reconciliation of the NAV contained in the financial statements to the NAV used for other purposes.

### **Purchases, Redemptions and Switches**

Series A, Series B and Series F units of a Value Partners Pool may be purchased, switched or redeemed through dealers. Cardinal Series units of VPI Canadian Equity Pool and VPI Canadian Income Pool are available for investment only if you have entered into a discretionary managed account agreement with Cardinal Capital Management, Inc. A Unit of series of a Pool can be purchased, redeemed or switched at its then series net asset value.

Purchase, switch or redemption orders received by or on behalf of a Pool before 4:00 p.m. (ET) on any day that the TSX is open will be processed that day at the applicable series NAV per unit determined at the close of business on that day. Orders received after 4:00 p.m. (ET) or on a day when the TSX is not open for business will be processed the following valuation day at the applicable series NAV per unit determined at the close of business of that day. If the TSX closes earlier than 4:00 p.m. (ET) on any day, the Manager may impose an earlier deadline for receipt of orders on that day to qualify for valuation at that day's series NAV per unit.

### **Purchasing Units**

Investments in Series A, Series B or Series F units of any of the Value Partners Pools can be made by completing a Value Partners purchase application, which can be obtained from dealers and by giving the completed purchase application and money to invest in the Pools to the dealer indicating in which series you wish to invest. Initial investments of any series of units must be a minimum of \$25,000, which can be invested in any one or more of the Pools, provided that at least \$10,000 is invested in a single series of each applicable Pool. At least \$50 per Pool must be invested for each subsequent investment. Value Partners may waive these minimum purchase levels from time to time.

### *Series A*

Investors investing in Series A units pay a negotiated sales commission to dealers or brokers at the time of purchase of the Series A units in the Value Partners Pools. The sales commission will be a percentage of the amount invested. Value Partners also pays trailing commissions to dealers in respect of Series A units.

### *Series B*

Investors investing in Series B units do not pay a sales commission at the time of purchase, however, Value Partners will pay a sales commission to dealers. If an investor redeems or switches Series B units within 3 years, the investor will pay a redemption fee to Value Partners on the units redeemed at the time of redemption. The redemption fee will depend on the date the Series B units were purchased and their net asset value at the time of purchase, as well as the date they were redeemed. Value Partners will pay trailing commissions to dealers in respect of Series B units.

### *Series F*

Investors in Series F units must qualify for such investment by having a fee-based account with a dealer which has signed a Series F agreement with Value Partners. Investors will agree with dealers on the fees that will be paid in connection with that account with that dealer. Value Partners does not pay a trailing commission to dealers on Series F units.

### *Cardinal Series Units of VPI Canadian Equity Pool and VPI Canadian Income Pool*

Investors may only invest in Cardinal Series units of VPI Canadian Equity Pool and VPI Canadian Income Pool if they enter into a managed account agreement with Cardinal Capital Management, Inc. (Cardinal) that sets out the fees that may be paid to Cardinal in respect of that managed account. Value Partners pays a fee to Cardinal in respect of any Cardinal Series units invested in. Cardinal may pay all or a portion of this fee to the dealer who referred an account to Cardinal. Value Partners does not pay trailing commissions on Cardinal Series units.

Purchase orders for any series of units can be rejected by Value Partners provided this is done within one business day of receiving an order. Any money sent with an order will be returned to the investor or the investor's dealer once the payment clears. Value Partners may close an investor's account if its value falls significantly below \$25,000 whether due to redemptions, switches or market fluctuations. In the event that Value Partners decides to close an account, the investor will receive at least 60 days advance notice so that the investor can make additional investments. If the investor does not make additional investments within those 60 days and the value of the account remains significantly below \$25,000 Value Partners will redeem the account in full and send the investor a cheque for the full amount, less any outstanding fees that are payable by the investor.

If Value Partners processes a purchase order in advance of receiving purchase moneys and if Value Partners does not receive payment within three business days of processing the purchase order, Value Partners will redeem the units on the next business day. If the proceeds of that redemption are greater than the purchase payment owed by the investor, the Pool will keep the difference. If the redemption proceeds are less than the payment owed, Value Partners will pay the difference to the Pool on the investor's behalf and collect this amount from the investor's broker or dealer, who may collect the amount from the investor.

### **Switching Units**

Investments in a Value Partners Pool can be switched to another Value Partners Pool, by redeeming units of the first Value Partners Pool and purchasing units of the other Value Partners Pool, provided that after the switch, the investor continues to hold a minimum of \$10,000 in each Value Partners Pool in which the investor holds units. Switch instructions should be communicated through the investor's dealer. Investors can only switch investments between the Pools if units are switched for the same series. No switch fee will be levied, unless the switch is made within 30 days of purchasing the units being switched. If units are switched from a Pool within 30 days of purchasing them, the investor may be subject to a short-term trading fee (see "Redeeming Units"). The switch of units of one Pool for units of another Pool has the same tax implications for investors as for other redemptions.

Units of one series of a Pool can be switched for units of another series of the same Pool, provided the eligibility requirements for the Series F and the Cardinal Series units are met if these series are the subject of the switch. The amount of the investment, less any fees, which are paid by redeeming units, will be the same after the change. Investors will, however, own a different number of units because each series has a different NAV per unit. You will pay an applicable fee (equal to what would have been the redemption fee if units had been redeemed) if you are switching out of Series B to another series. Changing units from one series to another series of the same Pool will not trigger a capital gain or loss for income tax purposes.

### **Redeeming Units**

Units of any Value Partners Pool can be redeemed by sending signed instructions in writing, with signature guaranteed by a chartered bank, trust company or other acceptable financial institution, to dealers. If the registered owner of the units is a corporation, partnership, agent, fiduciary or surviving joint owner, Value Partners may require additional information. If units are redeemed and the value of the investor's account falls below \$25,000, Value Partners may seek to close the account.

Payment of the proceeds of the redemption of units will be made within three business days following receipt of a redemption request in good order. Payment will be made either by cheque or electronically. Payment by cheque will be made by first class mail to the last address that appears on the register of unitholders, unless other specific instructions are provided.

Redemption fees or any other charges will not be charged on a redemption under normal circumstances, unless Series B units are being redeemed within the applicable three-year period, however investors may be required to pay a short-term trading fee of up to 2 percent of the amount redeemed if units are redeemed within 30 days after purchasing them or if Value Partners considers that the investors are engaged in excessive trading. This short-term trading fee will be paid to the applicable Pool.

### **Suspending Redemption Rights**

Redemption rights may be temporarily suspended and payment of redemption proceeds postponed by Value Partners, as permitted by securities legislation:

- During any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50 percent of the Pool's value or its underlying market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Pool; or
- With the approval of the Canadian securities regulators.

Value Partners will not accept orders to buy units during any period when it has suspended investors' rights to sell units of that Pool.

### **Short-Term Trading**

Value Partners Pools should be considered long-term investments and Value Partners discourages investors from buying and then redeeming or switching units with excessive frequency. Excessive trading is discouraged because, among other things, this practice generates significant costs, which can reduce a Pool's returns, thereby affecting all unitholders. Excessive trading can also interfere with the long-term investment decisions of the Portfolio Managers. While these restrictions and our monitoring attempt to deter short term trading, we cannot ensure that such trading will be completely eliminated.

An investor may be considered to be trading excessively, in the Manager's discretion, if:

- the investor sends a purchase order for units of a Pool, within 90 days of redeeming units in that Pool;
- the investor sends a switch order, other than pursuant to the systematic switching plan, for switching units of any Pool into another Pool, within 90 days of making any other switch or purchasing those units;
- the investor sends a redemption order, other than a systematic withdrawal, for redemption of units of any Pool within 90 days of purchasing those units, including on a switch; or
- the investor's order to purchase, switch or redeem would disrupt the efficient and cost-effective management of the Pools.

Value Partners may refuse any order to buy or switch units or may charge a short-term trading fee, if it considers that the investor is trading excessively. If Value Partners refuses an order to buy units, Value Partners will immediately return all money received with the investor's order. Value Partners may charge a short-term trading fee which will be paid to the applicable Pool, if the investor redeems or switches units within 30 days of purchasing those units. Value Partners may also charge a fee in other circumstances, in its discretion, if Value Partners considers an investor to be trading excessively.

## **Responsibility for the Operations of the Value Partners Pools**

### **Manager**

Value Partners Investments Inc. (the Manager) is the manager of each of the Value Partners Pools pursuant to the Trust Agreement under which each Value Partners Pool was established.

The Manager is responsible for all of the day-to-day operations of each of the Value Partners Pools. Except as otherwise described herein, the Manager provides such services through its employees at its offices in Winnipeg, Manitoba. In consideration of these management services, the Manager is entitled to the management fees that are payable by the Pools as described in the simplified prospectus.

The Trust Agreement gives the Manager the right to resign upon giving 90 days' notice to the Trustee. The Manager shall appoint a new manager upon its resignation subject to the approval of the unitholders, if such successor is not an affiliate of the Manager. Upon the occurrence of a terminating event, as described in the Trust Agreement, which will include a situation where the Manager resigns and does not appoint a new manager and also will include the bankruptcy or insolvency of the Manager, the Pools will be terminated and their assets distributed to securityholders. Other than in respect of a terminating event, the Manager cannot be terminated.

The name and municipality of residence, position and office held with the Manager, and principal occupation of each of the directors and officers of the Manager are as follows:

<b>Name and Municipality of Residence</b>	<b>Position and Office held with the Manager</b>	<b>Current Principal Occupation</b>	<b>Principal Occupation in the last 5 Years (if different than Current Occupation)</b>
Gregg Filmon Winnipeg, Manitoba	President and Director	Officer of Manager	Director of Business Development of Manager (May 2005 – October 2007)
Paul Lawton Winnipeg, Manitoba	Chief Operating Officer, Secretary, Director and Ultimate Designated Person	Officer of Manager	Same as current

<b>Name and Municipality of Residence</b>	<b>Position and Office held with the Manager</b>	<b>Current Principal Occupation</b>	<b>Principal Occupation in the last 5 Years (if different than Current Occupation)</b>
Catherine Kloepfer Winnipeg, Manitoba	Director	Senior Vice-President, Corporate Services and Chief Financial Officer of the Winnipeg Airports Authority Inc.	Same as current
John Cameron Thompson Winnipeg, Manitoba	Director	Partner of Cb4 Consulting Inc.  (business management consulting)	Same as current
Debra Jonasson-Young Winnipeg, Manitoba	Director	Vice-President of Dufresne Furniture	Vice-President King Optical Group (optical retailer)
Dean Bjarnarson, CA Winnipeg, Manitoba	Chief Financial Officer and Chief Compliance Officer	Officer of Manager	Same as current

### **Trustee**

RBC Dexia Investor Services Trust serves as trustee for each of the Value Partners Pools pursuant to the Trust Agreement. The Trustee may resign from the office of trustee in respect of any Value Partners Pool upon providing 90 days written notice to the Manager and the unitholders. The Manager may remove the Trustee at any time by notice to the Trustee and the unitholders upon providing 90 days advance notice. If the Trustee resigns or is removed by the Manager the Manager must forthwith appoint a successor Trustee. The Trustee holds title to the assets owned by the respective Value Partners Pool on behalf of its Unitholders.

RBC Dexia Investor Services Trust is paid a fee for its services for acting as trustee, custodian and record-keeper of the Pools.

### **Portfolio Managers**

The Manager has engaged Portfolio Managers to manage specific Pools pursuant to a portfolio management agreement with each Portfolio Manager (Portfolio Management Agreement), as follows:

- Cardinal Capital Management, Inc. (Cardinal) of Winnipeg, Manitoba acts as the portfolio manager for VPI Canadian Income Pool and VPI Canadian Equity Pool. Timothy Burt, the President of Cardinal, is principally responsible for managing these Pools. Mr. Burt has been associated with Cardinal for 19 years. Cardinal analyzes potential investments and makes investment decisions for these Pools. Generally, the agreement with Cardinal can be terminated by the Manager by giving 180 days written notice. In respect of the Series A, Series B and Series F

units the Manager pays Cardinal a fee for its services in acting as portfolio manager for these Pools. The Manager also pays Cardinal a fee in respect of investments in Cardinal Series units, a portion or all of which fee may be paid by Cardinal to dealers who refer investors to Cardinal.

- Patient Capital Management Inc. (PCM) of Toronto, Ontario acts as the portfolio manager for VPI Foreign Equity Pool and VPI Value Pool. Vito Maida, a Founder of PCM, is principally responsible for managing these Pools. Mr. Maida has been associated with PCM for approximately 12 years. PCM analyzes potential investments and makes investment decisions for these Pools. Generally, the agreement with PCM can be terminated by the Manager by giving 90 days written notice. The Manager pays PCM a fee for its services in acting as portfolio manager for these Pools.
- Dixon Mitchell Investment Counsel Inc. (Dixon Mitchell) acts as the portfolio manager for VPI Canadian Balanced Pool. Robert McConnachie is principally responsible for managing this Pool. Mr. McConnachie has been associated with Dixon Mitchell for 8 years. Dixon Mitchell analyzes potential investments and makes investment decisions for this Pool. Generally, the agreement with Dixon Mitchell can be terminated by the Manager by giving 90 days written notice. The Manager pays Dixon Mitchell a fee for its services in acting as portfolio manager for this Pool.

### **Brokerage Arrangements**

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Portfolio Managers for the Value Partners Pools. In effecting portfolio transactions, the Portfolio Managers seek to obtain best execution of orders as required by applicable securities regulations.

To the extent that the terms offered by more than one dealer are considered by the Portfolio Managers to be comparable, the Portfolio Managers may, in their discretion, choose to purchase and sell portfolio securities from and to or through dealers who provide research, statistical and other services to the Portfolio Managers in respect of their management of the applicable Pools.

None of the Portfolio Managers of the Pools has any agreements or arrangements in place with any dealer for the portfolio transactions regarding the Pools; however, Cardinal and Dixon Mitchell each receive the research goods and services described below that they use in connection with their management of the applicable Pools. PCM does not receive research goods and services from dealers that it uses to execute trades for the Pools it manages.

Cardinal is provided with access to a quotation system at a nominal data charge by one major dealer with whom it places trades for the two Pools it manages, as well as for its

other clients. Cardinal does not consider this access as a factor in determining dealers through whom it will place portfolio transactions for the Pools. Cardinal reviews each trade for the Pools to determine, among other things, whether the Pools receive reasonable benefit considering the use of this service and the amount of brokerage commissions paid. Cardinal is not related to this dealer.

Dixon Mitchell is provided with research, from time to time, from the dealers with whom it places trades for the Pool it manages, as well as for its other clients. This research may be a factor used by Dixon Mitchell in determining dealers through whom it will place portfolio transactions for the applicable Pool it manages. Dixon Mitchell reviews each trade for the Pool to determine, among other things, whether the Pool received reasonable benefit considering the applicable research, if any is received, and the amount of brokerage commissions paid.

Names of the dealer(s) that provided the Portfolio Managers with the services described above in connection with the portfolio transactions for the applicable Pool during the last financial year of the Pools will be provided on request by contacting Value Partners at 1-866-323-4235 or at [info@vpinvestments.ca](mailto:info@vpinvestments.ca).

### **Custodian**

RBC Dexia Investor Services Trust of Toronto, Ontario, acts as custodian of the assets of the Value Partners Pools pursuant to the Trust Agreement. RBC Dexia Investor Services Trust holds the assets of the Value Partners Pools in safekeeping. The Trust Agreement gives RBC Dexia Investor Services Trust the right to appoint sub-custodians. RBC Dexia Investor Services Trust is paid a fee for acting as custodian of the Value Partners Pools. RBC Dexia Investor Services Trust or its sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system.

### **Record-keeper**

RBC Dexia Investor Services Trust is the record-keeper for the Value Partners Pools under the Trust Agreement.

### **Auditor**

The auditor of the Value Partners Pools is KPMG LLP of Winnipeg, Manitoba. Value Partners may decide to change the auditors of the Pools, subject to compliance with disclosure requirements of securities regulators and IRC approval. Investors will not be asked to vote on this change, but will receive 60 days advance notice of the change if the IRC approves the proposed change.

### **Securities Lending Agent**

RBC Dexia Investor Services Trust (the Agent) will act as the agent for the Value Partners Pools in administering the securities lending, repurchase and reverse repurchase transactions of the Pools. RBC Dexia Investor Services Trust's duties as securities

lending agent will be governed by the terms of a Securities Lending Agreement, which will be entered into by Value Partners and the Agent once the Pools commence any of such activities. The risks associated with these transactions will be managed by requiring that the agent enter into such transactions for the Value Partners Pools with reputable and well-established Canadian and foreign brokers, dealers and institutions. The Agent will be required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the Agent will determine the market value of both the securities loaned by a Value Partners Pool under a securities lending transaction or sold by the Value Partners Pool under a repurchase transaction and the cash or collateral held by the Value Partners Pool for such transactions. If on any day the market value of the cash or collateral is less than 102 percent of the market value of the borrowed or sold securities, then on the next day the borrower will be required to provide additional cash or collateral to the Value Partners Pool to increase the collateral value to 102 percent of that market value.

The Manager and the Agent will review, at least annually, the policies and procedures described above to ensure that the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed.

### Principal Holders of Securities

As of May 31, 2011, the following unitholders owned more than 10 percent of a series of the issued and outstanding units of the Pools:

Holder of Units *	Pool/Series	Type of Ownership	Number of Units Owned	Percentage of Issued and Outstanding Units of the Series
Client A	VPI Foreign Equity Pool – Series F	Direct	49,790.06	30.5%
Value Partners Investments Inc.	VPI Foreign Equity Pool – Series F	Beneficial	28,417.09	17.4%
Value Partners Investments Inc.	VPI World Equity Pool** – Series F	Beneficial	35,809.31	17.7%
Client D	VPI Foreign Equity Pool – Cardinal Series	Direct	11,438.53	16.8%
Value Partners Investments Inc.	VPI Canadian Income Pool – Series F	Beneficial	52,891.05	14.1%
Client F	VPI Foreign Equity Pool – Cardinal Series	Direct	7,850.52	11.5%
Client G	VPI Foreign Equity Pool – Cardinal Series	Direct	7,792.42	11.4%
Client H	VPI World Equity Pool** – Series B	Direct	70,182.97	10.4%

\*To protect the privacy of investors, we have omitted the names of the beneficial owners. This information is available on request by contacting Value Partners at 1-866-323-4235.

\*\* Effective November 1, 2011, the name of VPI World Equity Pool changed to VPI Value Pool.

## Conflicts of Interest

As of June 30, 2011, the following persons or companies owned the securities indicated in the Manager and in Cardinal Capital Management, Inc., one of the portfolio managers of the Pools.

- Value Partners Group Inc. (“VPGI”) owns 100 percent of the issued and outstanding shares of Value Partners. VPGI is 46.3 percent beneficially owned by Longton Ltd. which is 100 percent owned by The Longton Trust II, a discretionary family trust established for the benefit of specified members of the Lawton family including Kathleen, Paul and Sean Lawton. Paul Lawton is a senior officer and director of the Manager. Sean Lawton is a sales representative of Lawton Partners Financial Planning Services Limited. Lawton Partners Financial Planning Services Limited is a mutual fund dealer and is a distributor of the Pools.
- ICPM Holdings Inc. owns 49.9 percent of Cardinal Capital Management, Inc., one of the Portfolio Managers of the Pools. James Lawton is the sole officer and director of ICPM Holdings Inc. James Lawton is a sales representative, President and shareholder of Lawton Partners Financial Planning Services Limited and is also a director of Cardinal Capital Management, Inc. and of VPGI. James Lawton is also the Chairman of VPGI.
- ICPM Holdings Inc. is owned, as to 56.8 percent beneficially by Kathleen Lawton, an associate of James Lawton, through Kayco Inc., a company wholly-owned by Kathleen Lawton, and as to 10.25 percent directly by Diane Wittmier, an associate of Elden Wittmier, and as to 10.25 percent beneficially by Carolyn Townsend, an associate of Kenneth W. Townsend, through Redfox Holdings Inc., a company wholly-owned by Carolyn Townsend and as to 22.7 percent by Six Partners Holdings Ltd., a company owned equally by family trusts of six sales representatives employed by, and beneficial shareholders and directors of, Lawton Partners Financial Planning Services Limited. Messrs Wittmier and Townsend are sales representatives employed by, and beneficial shareholders of, Lawton Partners Financial Planning Services Limited and are also directors of Cardinal Capital Management, Inc.
- Nine sales representatives (the Lawton Partners) are equal shareholders in Lawton Partners Financial Planning Services Limited. The Lawton Partners collectively own Class A shares representing 8.4 percent of the common equity of VPGI, and certain of the Lawton Partners collectively own Class C shares representing an additional 6.5 percent of the common equity of VPGI.
- Sales representatives of Lawton Partners Financial Planning Services Limited (other than the Lawton Partners) collectively own Class A shares representing 1.8 percent and Class C shares representing 0.1 percent of the common equity of VPGI.

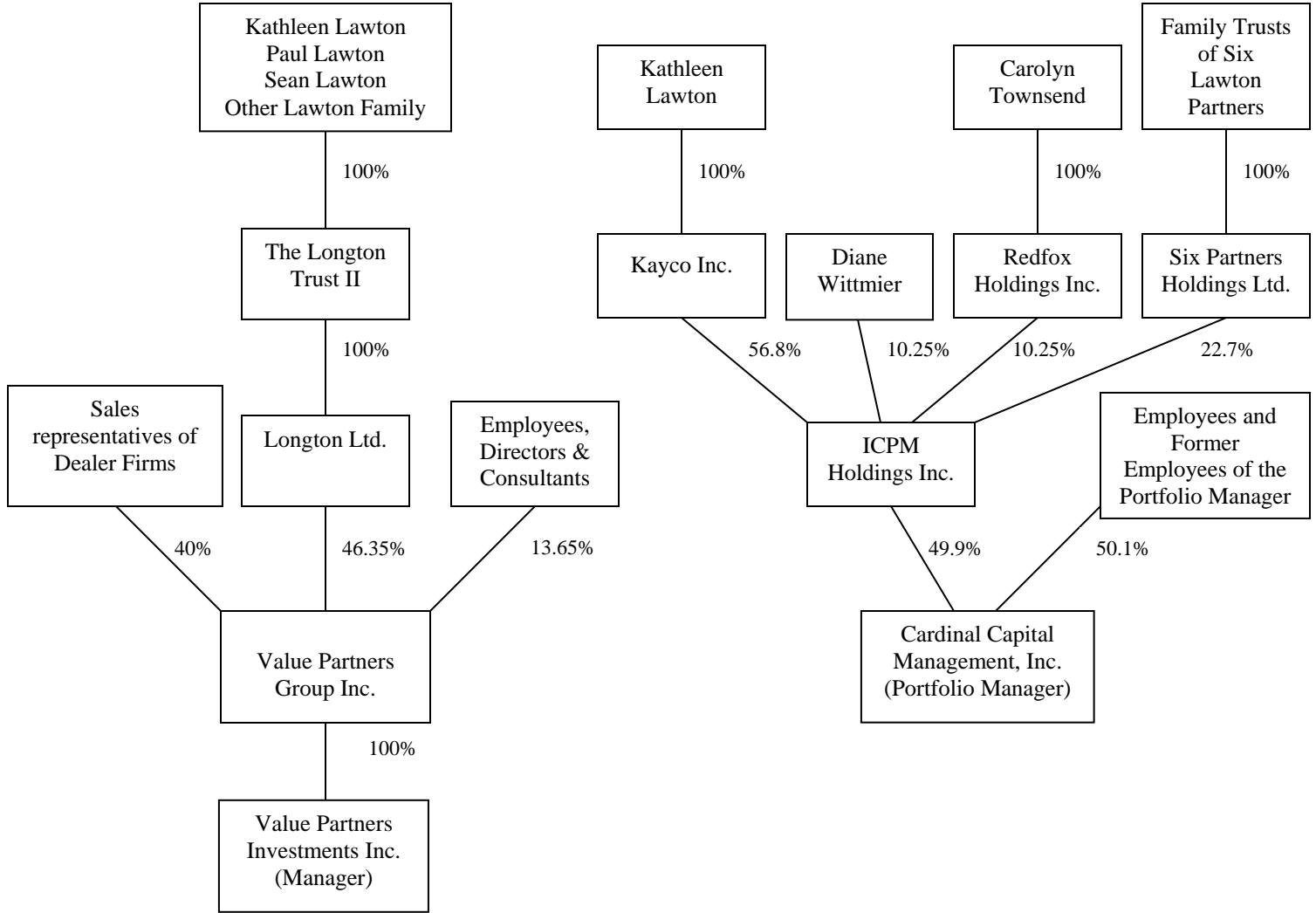
Sales representatives of the following dealers collectively own Class A shares of VPGI, which represent the percentage of the common equity of VPGI indicated below:

- Burgeonvest Bick Securities Limited – 1.2 percent
- Desjardins Financial Security Investments Inc. – 0.7 percent
- Dundee Wealth Management – 3.2 percent
- Equity Associates Inc. – 0.1 percent
- FundEX Investments – 8.6 percent
- Independent Accountants' Investment Group Inc. – 0.1 percent
- Integral Wealth Securities – 1.6 percent
- International Capital Management – 1.8 percent
- Investia Financial Services Inc. – 0.2 percent
- IPC Investment Corporation – 9.1 percent
- MGI Financial Inc. – 0.1 percent
- Portfolio Strategies Corporation – 0.4 percent
- Quadrus Investments Services Ltd. – 0.5 percent
- Sora Group Wealth Advisors Inc. – 0.2 percent
- Wellington West Financial Services – 1.2 percent
- Worldsource Financial Management Inc. – 0.8 percent
- Class C shares representing 13.7 percent of the common equity of VPGI are held by employees or former employees, consultants and/or directors of VPGI or Value Partners.

No individual sales representative holds more than 5 percent of the common equity of VPGI. No sales representative or applicable dealer firm has any obligation because of the sales representative's investment in VPGI to recommend that you invest in a Value Partners Pool. An investment in VPGI is made by a sales representative personally and should not be considered a recommendation or endorsement of the Value Partners Pools by that sales representative's dealer firm.

**Affiliated Entities**

The following diagram shows the persons responsible for providing important services to the Pools and how they are related.



The amount of fees received from the Pools by each company described in the above chart is contained in the audited financial statements of the Pools.

**Governance of the Value Partners Pools**

The Manager has responsibility for the governance of the Value Partners Pools. Specifically, the Manager is required to act honestly, in good faith and in the best interests of the Value Partners Pools and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

The Manager acts to ensure fair treatment of the unitholders of the Value Partners Pools and to ensure that at all times the interests of the Value Partners Pools and their

unitholders are placed above personal interests of employees, officers and directors of the Manager, and each of its subsidiaries and affiliates and sub-advisers. The Manager applies the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflict of interest, but also to avoid any perception of conflict. The Manager addresses any issues in the area of investments, which covers personal trading by employees, conflicts of interest, and confidentiality among departments and portfolio advisers, and also addresses any issues relating to other conflicts of interest through written policies and procedures. Securities regulations require the Manager to adopt written policies and procedures describing how the Manager manages any conflicts of interest. As required by securities regulation, the Manager has referred its written policies and procedures which address the conflicts of interest it has identified within the meaning of applicable securities legislation to the Independent Review Committee for the Value Partners Pools (the IRC). The IRC has given the Manager standing instructions to follow those policies and procedures regarding conflicts of interest.

The members of the IRC are: Gary Coopland (Chair), Ross Yarnell and Charles Mossman, all of whom are independent of the Manager and reside in Winnipeg, Manitoba. The IRC's overall mandate is to provide impartial judgment on conflicts of interest referred to it by the Manager with a view to the best interests of the Value Partners Pools. The IRC operates in accordance with securities regulations that require that all publicly offered investment funds have independent review committees. The compensation payable to, and the expenses of, the IRC is paid by the Value Partners Pools.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

The compensation paid to the members of the IRC consists of an annual retainer of \$1,000 for each member and \$1,500 for the Chairman as well as a fee per meeting of \$1,000. The compensation of the IRC is allocated between the Pools in accordance with the Manager's fund expense policy.

For the year ended December 31, 2010, the aggregate compensation and expense reimbursements was \$15,500 and was paid to each member of the IRC, in their capacity as the independent review committee for the Value Partners Pools was as set out below:

Gary Coopland: \$1,500 retainer and \$4,000 meeting fees and expense reimbursements

Ross Yarnell: \$1,000 retainer and \$4,000 meeting fees and expense reimbursements

Charles Mossman: \$1,000 retainer and \$4,000 meeting fees and expense reimbursements.

### **Proxy Voting Policies**

The Portfolio Managers have the authority to consider whether to vote and to vote any proxies received by any of the Pools. The Portfolio Managers will make the decisions about voting proxies according to proxy voting guidelines they have adopted.

The proxy voting policies of Cardinal and PCM provide that Cardinal and PCM will exercise their authority in accordance with the best economic interests of the Pools that they manage and the Pools' investors. Generally, Cardinal and PCM will vote against actions that would reduce the alignment of interests between management and shareholders or reduce the value of shareholders interests. Cardinal and PCM believe in supporting management of companies in which the Pools invest and will accord proper weight to the positions of a company's board of directors. The policies of Cardinal and PCM include examples of circumstances where they will:

- withhold votes in respect of election of directors; Cardinal and PCM believe that boards must have at least a majority of independent members and key board committees must be completely independent;
- not support the reappointment of a company's auditors;
- support or not support enumerated compensation programs of companies;
- vote for merger and acquisition proposals that will result in financial and operating benefits;
- vote against proposals to increase the number of authorized shares of any class that has superior voting rights to another class;
- vote for stock splits, provided that the stock split does not result in excessive dilution; and
- vote for or against shareholder proposals.

Dixon Mitchell uses the proxy voting guidelines of ISS Institutional Shareholder Services (ISS). These proxy voting guidelines are consistent with the dual objectives of socially responsible shareholders. On matters of social and environmental import, the guidelines seek to reflect a broad consensus of the socially responsible investing community. On matters of corporate governance, executive compensation and corporate structure, ISS Social Advisory Services guidelines are based on a commitment to create and preserve economic value and to advance principles of good corporate governance, consistent with responsibilities as a whole.

Dixon Mitchell uses the ISS 2007 Canadian Proxy Voting Guidelines when considering voting proxies. These guidelines deal with suggested voting procedures in respect of routine items, such as ratification of auditors and voting on director nominees in uncontested elections. The ISS Voting Guidelines also set out recommendations regarding voting on shareholder proposals designed to enhance corporate governance. The Guidelines deal with recommended voting procedures regarding poison pills, mergers and corporate restructurings, by-law amendments, changes to capital structure, executive and director compensation, management proposals needing approval to re-price options, employee stock purchase plans and social and environmental issues.

The Portfolio Managers review each proxy to assess the extent, if any, to which there may be a material conflict between the Portfolio Managers' interests and those of their clients, including the Value Partners Pools. The Portfolio Managers will not take their

relationship with a company into account and will vote the proxies in accordance with the best interests of their clients and in accordance with their proxy policies and procedures.

Annually, the Manager will review the proxy voting policies and procedures adopted by the Portfolio Managers, including the following:

- a standing policy for dealing with routine matters on which a Pool may vote;
- the circumstances under which a Pool will deviate from the standing policy for routine matters;
- the policies under which, and the procedures by which, a Pool will determine how to vote or refrain from voting on non-routine matters; and
- procedures to ensure that portfolio securities held by a Pool are voted in accordance with the instructions of the Portfolio Managers.

The policies and procedures that the Portfolio Managers use when voting proxies received by any of the Pools relating to portfolio securities are available on request, at no cost to you, by calling 1-866-323-4235 or by emailing [info@vpinvestments.ca](mailto:info@vpinvestments.ca).

Each Pool's proxy voting record for the most recent period ending June 30 of any year will be available free of charge to any securityholder of the Pools upon request at any time after August 31 of that year. The most recent proxy voting record for the Pools is available at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca).

## **Fees and Expenses**

### **Management Fee Reduction Program**

The Manager offers a Management Fee Reduction Program to qualified investors in Series A, Series F or Cardinal Series units. If an investor qualifies for this program, the management fee charged to the Pool is reduced and the Pool distributes the amount of the reduction to the investor by way of a management fee distribution. Management fee distributions are paid first out of net income and net realized capital gains and thereafter, out of capital. Management fee distributions are automatically reinvested in additional units of the particular series of the Pool unless negotiated otherwise. Management fee distributions are calculated and accrued daily in arrears and distributed at least quarterly by the Pool to the relevant investor.

The Management Fee Reduction Program will allow unitholders to benefit from management fee reductions of up to 0.50 percent annually on portions of the unitholder's aggregate investment in the Value Partners Pools in excess of specified amounts. The Management Fee Reduction Program is only available to investors who have an account or accounts having a net asset value of units in the Value Partners Pools in excess of \$250,000 and remain invested in any of the Value Partners Pools for a minimum period of time as determined by Value Partners. No special instructions are required from unitholders to indicate their intent to participate in the Management Fee Reduction Program, but investments must be in Series A, Series F or Cardinal Series units to

qualify. Any unitholder that meets the specified criteria will automatically receive the benefit of the applicable fee reduction.

The calculation of the average series net asset value of units of the Value Partners Pools will be based on the daily aggregate of an investor's investment, on a per account basis, in the Value Partners Pools for each month of a calendar year.

The applicable fee reduction for a qualified investor with an account or accounts having a net asset value of units in the Pools in excess of \$250,000, but less than \$500,000, will be calculated as follows:

- the qualified investor will receive no fee reduction for the first \$250,000 of the series net asset value of the units of the Value Partners Pools;
- for Series A units and Cardinal Series units, the qualified investor will receive a fee reduction of up to 0.30 percent annually on the portion of the series net asset value of the units of the Value Partners Pools that is greater than \$250,000;
- for Series F units, the qualified investor will receive a fee reduction of up to 0.15 percent annually on the portion of the series net asset value of the units of the Value Partners Pools that is greater than \$250,000.
- Series B units are not eligible for the Management Fee Reduction Program.

The applicable fee reduction for a qualified investor with an account or accounts having a net asset value of units in the Pools in excess of \$500,000 will be calculated as follows:

- for Series A units, the qualified investor will receive a fee reduction of up to 0.50 percent annually of the series net asset value of the units of all Value Partners Pools;
- for Series F units, the qualified investor will receive a fee reduction of up to 0.35 percent annually of the series net asset value of the units of all Value Partners Pools;
- Series B units are not eligible for the Management Fee Reduction Program.

Value Partners may vary the terms, conditions and investor qualifications of the Management Fee Reduction Program from time to time or may discontinue the program in its sole discretion.

Please see the following section entitled “Income Tax Considerations” for information on the tax treatment of management fee distributions.

### **Income Tax Considerations**

The following summarizes fairly the principal Canadian federal income tax considerations as of the date hereof with respect to the acquisition, ownership and

disposition of units of the Pools generally applicable to an individual unitholder, other than a trust, who for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Pool and holds units as capital property.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (Regulations), proposals for specific amendments to the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current administrative practices and assessing policies of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. This summary does not take into account provincial or foreign income tax legislation or considerations. Each of the Pools has qualified as a mutual fund trust under the Tax Act throughout its current taxation year and is expected to continue to so qualify at all times in the future. This summary is based on the assumption that each of the Pools will so qualify. If a Pool were not to qualify as a mutual fund trust under the Tax Act at all material times, the income tax consequences would differ materially from those described below.

The following summary is of a general nature only and is not intended to constitute advice to any particular investor. Each investor should seek independent advice regarding the tax consequences of investing in units of a Pool, based upon the investor's own particular circumstances.

### **Taxation of the Pools**

Each Pool intends to distribute to its unitholders in each year such amount of its net income and net realized capital gains that it should generally not be liable for tax under Part I of the Tax Act, after taking into account any capital gains refunds.

All of a Pool's deductible expenses, including expenses common to all series of the Pool and management fees and other expenses specific to a particular series of the Pool, will be taken into account in determining the income or loss of the Pool as a whole.

### **Taxation of Unitholders of the Pools**

A unitholder will generally be required to include in computing income for a taxation year that portion of the net income and the taxable portion of the net capital gains of a Pool as was paid or payable to them in the year, whether or not such amount has been reinvested in additional units. This may include amounts paid by way of management fee distributions.

Net taxable capital gains and foreign source income of a Pool and taxable dividends received by a Pool on shares of taxable Canadian corporations that are paid or payable to the unitholders (including such amounts reinvested in additional units) may be designated by the Pool as taxable capital gains, foreign source income, and taxable dividends earned by the unitholders, respectively. Foreign source income received by a Pool will generally be net of any taxes withheld in the foreign jurisdiction. The taxes so withheld will be included in the determination of income under the Tax Act. To the extent that a Pool so

designates in accordance with the Tax Act, unitholders will, for the purpose of computing foreign tax credits, be entitled to treat their share of such taxes withheld as foreign taxes paid by the unitholders.

If distributions (including management fee distributions) from a Pool (other than as proceeds of disposition) are greater than a unitholder's share of the Pool's net income and the net realized capital gains allocated by the Pool, the excess will be a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of the unitholder's units of the Pool.

The net asset value of a unit may reflect income that has not yet been distributed and capital gains that have not yet been realized or distributed. If a unitholder purchases a unit before a distribution of net income or net realized capital gains, the unitholder will be taxable on such distribution even if the amount of that distribution was reflected in the purchase price of the units.

Upon the disposition or deemed disposition by a unitholder of a unit, whether by redemption, sale or otherwise, a capital gain (or capital loss) will be realized to the extent that the proceeds of disposition (less any associated costs of disposition) exceed (or are less than) the adjusted cost base of the unitholder of the unit. In particular, a disposition of a unit will occur if it is switched for units of another Pool. Such switch is completed by redeeming the units of a Pool and using the proceeds to purchase units of another Pool. Changing units of one series of a Pool into units of a different series of the same Pool will not trigger a capital gain or capital loss.

Generally, one-half of a capital gain (or capital loss) is included in determining a unitholder's taxable capital gain (or allowable capital loss).

### **Registered Plans**

Units of the Pools are qualified investments for registered retirement savings plans, registered retirement income plans, deferred profit savings plans, registered education savings plans, registered disability savings plans, and tax-free savings accounts (collectively "Registered Plans"). If units of a Pool are held in a Registered Plan, distributions from the Pool and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the plan (withdrawals from a tax-free savings account are not subject to tax and registered education savings plans and registered disability savings plans are subject to special rules). Annuitants of registered retirement savings plans and registered retirement income funds, and holders of tax-free savings accounts, should consult with their own tax advisers as to whether units of the Pools would be prohibited investments under the Tax Act in their particular circumstances.

### **Material Contracts**

The material contracts of each Value Partners Pool are as follows:

- Trust Agreement, as amended; and

- Portfolio Management Agreements, as amended.

Details of these contracts are provided in the section of this annual information form entitled “Responsibility for Operations of the Value Partners Pools”. Copies of the material contracts may be examined by prospective or existing Unitholders at the principal office of the Manager during normal business hours.

### **Exemptions and Approvals**

The Manager obtained an exemption on behalf of itself, the Pools and any participating dealer with sales representatives that hold equity interests in the parent company to the Manager from certain disclosure requirements of National Instrument 81-105 *Mutual Fund Sales Practices*. This exemption was granted on certain conditions, one of which is that the Pools and the Manager provide disclosure about the beneficial equity interests of sales representatives in the Manager in the simplified prospectus and update that disclosure on a monthly basis on the website of the Manager.

### **Legal and Administrative Proceedings**

There are currently no ongoing legal or administrative proceedings involving the Manager that may be material to the Pools nor are there any such proceedings known to be contemplated as of the date of this Annual Information Form.

## **Auditors' Consent**

We have read the Simplified Prospectus and Annual Information Form for VPI Canadian Income Pool, VPI Canadian Equity Pool, VPI Foreign Equity Pool, VPI World Equity Pool and VPI Canadian Balanced Pool (collectively, the "Pools") dated June 30, 2011 relating to the sale and issue of units of the Pools. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to use, through incorporation by reference in the above-mentioned Simplified Prospectus and Annual Information Form, of our report dated February 18, 2011 to the respective unitholders of each of VPI Canadian Income Pool, VPI Canadian Equity Pool, VPI Foreign Equity Pool, VPI World Equity Pool and VPI Canadian Balanced Pool on the following:

- Statements of net assets as at December 31, 2010 and 2009
- Statements of investment portfolio as at December 31, 2010
- Statements of changes in net assets and statements of operations for the years ended December 31, 2010 and 2009

*"KPMG LLP"*

Chartered Accountants

Winnipeg, Canada

June 30, 2011

**VPI Canadian Income Pool  
VPI Canadian Equity Pool  
VPI Foreign Equity Pool  
VPI Value Pool  
VPI Canadian Balanced Pool**

**Certificate of the Pools, Manager and Promoter**

This amended and restated annual information form dated November 1, 2011, amending and restating the annual information form dated June 30, 2011, together with the amended and restated simplified prospectus dated November 1, 2011, amending and restating the simplified prospectus dated June 30, 2011, and the documents incorporated by reference into the amended and restated simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the amended and restated simplified prospectus, as required by the securities legislation of each of the provinces except for Quebec and the territories of Canada and do not contain any misrepresentations.

Dated: November 1, 2011

(signed) "Paul Lawton"  
Paul Lawton  
Chief Executive Officer  
Value Partners Investments Inc.

(signed) "Dean Bjarnarson"  
Dean Bjarnarson  
Chief Financial Officer  
Value Partners Investments Inc.

On Behalf of the Board of Directors of Value Partners Investments Inc. on behalf of the Pools and in its capacity as Manager and Promoter of the Pools.

(signed) "Gregg Filmon"  
Gregg Filmon  
Director

(signed) "Cameron Thompson"  
Cameron Thompson  
Director

*[Back Page]*

## **Value Partners Pools**

VPI Canadian Income Pool  
VPI Canadian Equity Pool  
VPI Foreign Equity Pool  
VPI Value Pool  
VPI Canadian Balanced Pool

Manager of the Pools:

Value Partners Investments Inc.  
Suite 400 - 305 Broadway  
Winnipeg, Manitoba R3C 3J7

1-866-323-4235

Additional information about each Pool described in this Annual Information Form is available in the Pool's Fund Facts, management reports of fund performance and financial statements.

You can obtain a copy of a Pool's Fund Facts, management reports of fund performance and financial statements at no cost by calling toll-free at 1-866-323-4235 or from your dealer or by email at [info@vpinvestments.ca](mailto:info@vpinvestments.ca).

These documents and other information about the Pools, such as information circulars and material contracts are also available on the website of Value Partners Investments Inc. at [www.valuepartnersinvestments.ca](http://www.valuepartnersinvestments.ca) or at [www.sedar.com](http://www.sedar.com).

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