

VERITAS CANADIAN EQUITY FUND
Management Report of Fund Performance

The interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements of the Investment Fund.

For the six months ended June 30, 2020



VERITAS
ASSET
MANAGEMENT

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Forward-Looking Statements (“FLS”)

The interim Management Report of Fund Performance may contain forward-looking statements “FLS”. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified using forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on several factors and assumptions, including a Fund’s current plans, estimates, opinions and analysis made considering its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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This Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the six months ended June 30, 2020, the investment fund's six months period end. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Veritas Canadian Equity Funds' Simplified Prospectus ("Prospectus"). In this report, "Manager", refers to Veritas Asset Management Inc., the Manager of the Fund. The "Fund" refers to the Veritas Canadian Equity Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the Fund performance is based. All dollar figures are reported in Canadian dollars and are expressed in millions, unless otherwise indicated.

Investment Objective and Strategies

The investment objective of the Fund is to provide Unitholders with long term capital appreciation earning enhanced risk adjusted returns relative to the S&P/TSX Composite Total Return Index by investing in a portfolio comprised primarily of the securities of Canadian companies.

To achieve the investment objective, the Fund will invest primarily in the securities of publicly traded Canadian companies but may also invest in other securities. The Fund will invest in a concentrated portfolio of securities selected by the Portfolio Advisor based in part on the recommendations of Veritas Investment Research Corporation drawing on fundamental analysis that uses forensic accounting-based principles. In constructing the investment portfolio of the Fund, the Manager will seek to minimize volatility. The Fund will not invest in the securities of non-North American issuers. The Fund may invest up to 10% of its investment portfolio in the securities of U.S. issuers.

Risk

The risks associated with investing in the Fund remain as discussed in the Prospectus. The Fund is suitable for investors looking for a medium level of risk that is based on a research-driven, concentrated portfolio of Canadian Companies with a medium to longer term investment horizon.

For the six months ended June 30, 2020, the Fund met its risk objectives and maintained its risk level within the operating parameters set out in the Prospectus. The overall level of Fund risk and investor risk tolerance remain as stated in the Prospectus.

Results of Operations

During the six months ended June 30, 2020, Class A units returned -15.7% (June 30, 2019: 9.62%) and Class F units returned -15.2% (June 30, 2019: 10.85%). The Fund's benchmark is the S&P/TSX Composite Total Return "S&P/TSX TR" Index which returned -7.5% (June 30, 2019: 16.22%) for the same period. It is important to note that the Fund's return is net of fees and expenses for professional management, while the benchmark does not have such costs.

For the six months ended June 30, 2020, our Assets Under Management (AUM) declined from \$18.2 million on December 31, 2019, to \$13.3 million on June 30, 2020 as a result of negative investment returns and net redemptions.

The Fund's underperformance during the first half of the year is attributable to underweight exposure to the following sectors: Information Technology and Materials, which far outperformed the S&P/TSX TR Index with returns of 62.0% and 15.4%, respectively. Inferior stock selection within the Utilities sector contributed to the underperformance. Underweight exposure to the consumer discretionary sector along with superior stock selection in consumer staples and REITs aided performance.

The net assets of the Fund Class F units increased by 43.3% from \$8.6 million on December 31, 2019 to \$12.4 million on June 30, 2020. The change was composed primarily of net sales of \$5.9 million.

The NAV of the Fund Class F units decreased by 15.2% from \$11.29 on December 31, 2019 to \$9.57 on June 30,

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2020, underperforming the benchmark by 7.76 percentage points. The benchmark declined by 7.5% over the same period.

The net assets of the Fund Class A units increased by 3.2% from \$890.8 thousand on December 31, 2019 to \$919.3 thousand on June 30, 2020. This change was composed primarily of net sales of \$251.8 thousand.

The NAV of the Fund Class A units decreased by 15.7% from \$11.46 on December 31, 2019 to \$9.66 on June 30, 2020, underperforming the benchmark by 8.23 percentage points. The benchmark declined by 7.5% over the same time horizon.

The net assets of the Fund Class I units decreased by 100% from \$8.7 million on December 31, 2019 to \$0.00 on June 30, 2020. This change was the result of the class being fully redeemed during the period.

The investment performance of the Fund includes income and expenses which may vary year over year. The Fund's income and expenses changed throughout the year, mainly because of fluctuations in average net assets, portfolio activity, and changes in the Fund's investments.

Recent Developments

Putting the market's year-to-date performance into historic perspective illustrates just how volatile the start to 2020 has been in Canadian markets. While the first quarter of 2020 saw a decline of 20.9% making it the S&P/TSX Composite's third-worst quarter since 1956, the second quarter of 2020 saw the seventh-best performance recorded over the same time frame with a return of 17.0%. April, May and June have been markedly different than Q1. Many stocks that were down most through Q1, surged most through Q2 as investors have shown a willingness to ignore current economic pressures and dire earnings forecasts. Central bank deficits for 2020 as a percentage of GDP are expected to be significantly higher than in any one year during the Great Depression of the 1930's. We are concerned that investors are chasing the recovery believing that 2021 earnings will return to 2019 levels, an outcome we believe to be unlikely given the level of unemployment and continued bankruptcies being reported. Given deteriorating household and corporate balance sheets, we expect consumer discretionary and financial services companies to remain challenged and face a significant shock when the government stimulus programs expire in the coming months. We will participate in the central bank driven rally, but remain cautiously positioned to preserve capital given the uncertainty of the current economic recovery.

Related Party Transactions

The Manager will receive a monthly management fee calculated as a percentage of the NAV of each applicable class of Units that comprise the Fund on the last business day of the month. The management fee may vary from class to class and will be deducted as an expense of the applicable class of the Fund. The management fee is subject to applicable taxes, such as GST. The management fee for each of the applicable class of Units is as follows:

- Class A: 1/12 of 1.95% (1.95% per annum) of the net asset value of Class A units of the Fund on the last business day of the month.
- Class F: 1/12 of 0.95% (0.95% per annum) of the net asset value of Class F units of the Fund on the last business day of the month.
- Class I: Negotiated by the investor and paid directly by the investor. The management fee rate will not exceed the management fee payable on Class F units of the Fund.

Expense reimbursement

Fund expenses were capped at 1% until September 17, 2019, at which point that cap was removed; The expense cap of 1% was then reinstated on April 9, 2020. Expense reimbursement by the Manager during the period ended June 30, 2020 amounted to \$47,602 (June 30, 2019: \$89,920), out of which \$18,264 was receivable as of June 30, 2020 (December 31, 2019: nil).

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Ownership

As of December 31, 2019, parties related to the Manager owned 75,197.0132 (December 31, 2019: 75,197.0132) Class F units of the Fund.

The following tables show selected key financial information about the Class A, Class F and I units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the period ended June 30, 2020.

The Fund's Net Asset Value (NAV) per Class A Unit (1) (2)	June 30, 2020	December 31, 2019	December 31, 2018
Net asset value, beginning of period	\$11.46	\$9.78	\$10.00
Increase (decrease) from operations:			
Total revenue	0.13	0.31	0.05
Total expenses	(0.17)	(0.42)	(0.05)
Realized gains (losses) for the period	(1.71)	0.54	(0.10)
Unrealized gains (losses) for the period	(0.19)	1.15	(0.11)
Total increase (decrease) from operations (3)	\$(1.94)	\$1.58	\$(0.21)
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	-	(0.01)
From capital gains	-	(0.09)	-
Return of capital	-	-	-
Total distributions (3) (4)	\$ -	\$(0.09)	\$(0.01)
Net asset value, end of period (3)	\$9.66	\$11.46	\$9.78
Ratios and Supplemental Data			
Total net asset value (5)	\$919,255	\$890,788	\$29,141
Number of units outstanding (5)	95,117	77,697	2,981
Management expense ratio (6)	3.33%	3.73%	0.65%
Management expense ratio before waivers or absorptions	4.08%	3.75%	1.58%
Trading expense ratio (7)	0.08%	0.07%	0.04%
Portfolio turnover rate (8)	105.25%	162.40%	36.35%
Net asset value per unit	\$9.66	\$11.46	\$9.78

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The Fund's Net Asset Value (NAV) per Class F Unit (1) (2)	June 30, 2020	December 31, 2019	December 31, 2018
Net asset value, beginning of period	\$11.29	\$9.60	\$10.00
Increase (decrease) from operations:			
Total revenue	0.13	0.29	0.17
Total expenses	(0.11)	(0.26)	(0.13)
Realized gains (losses) for the period	(1.67)	0.47	(0.13)
Unrealized gains (losses) for the period	(0.22)	0.96	(0.40)
Total increase (decrease) from operations (3)	\$(1.87)	\$1.46	\$(0.49)
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	-	(0.03)
From capital gains	-	(0.26)	-
Return of capital	-	-	-
Total distributions (3) (4)	\$ -	\$(0.26)	\$(0.03)
Net asset value, end of period (3)	\$9.57	\$11.29	\$9.60
Ratios and Supplemental Data			
Total net asset value (5)	\$12,364,902	\$8,647,428	\$1,981,492
Number of units outstanding (5)	1,292,101	766,042	206,396
Management expense ratio (6)	2.18%	2.32%	1.26%
	2.96%	3.43%	
Management expense ratio before waivers or absorptions			5.73%
Trading expense ratio (7)	0.08%	0.07%	0.04%
Portfolio turnover rate (8)	105.25%	162.40%	36.35%
Net asset value per unit	\$9.57	\$ 11.29	\$9.60

The Fund's Net Asset Value (NAV) per Class I Unit (1) (2)	June 30, 2020	December 31, 2019
Net asset value, beginning of period	10.52	\$10.00
Increase (decrease) from operations:		
Total revenue	0.07	0.21
Total expenses	(0.03)	(0.09)
Realized gains for the period	(1.03)	0.34
Unrealized gains for the period	(0.78)	0.35
Total increase from operations (3)	\$(1.77)	\$0.81
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	(0.12)
From capital gains	-	(0.23)
Return of capital	-	-
Total distributions (3) (4)	\$ -	\$(0.35)
Net asset value, end of period (3)	\$ -	\$10.52
Ratios and Supplemental Data		
Total net asset value (5)	\$ -	\$8,703,749
Number of units outstanding (5)	-	827,096
Management expense ratio (6)	0.54%	0.85%
Management expense ratio before waivers or absorptions	0.54%	1.03%
Trading expense ratio (7)	0.08%	0.07%
Portfolio turnover rate (8)	105.25%	162.40%
Net asset value per unit	\$ -	\$10.52

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Notes:

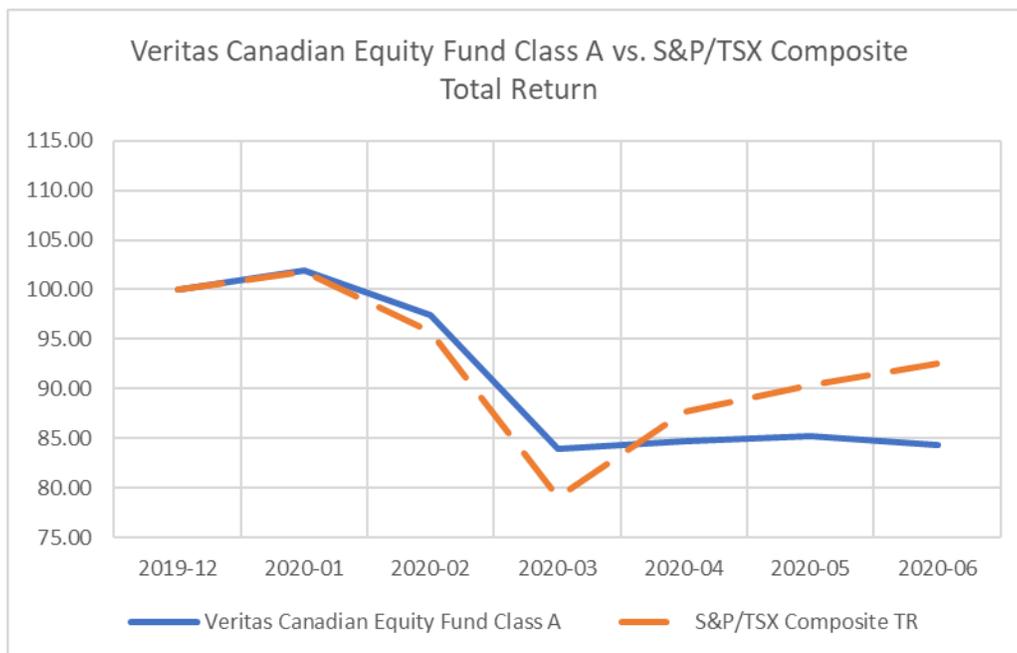
- (1) This information is derived from the Fund's unaudited financial statements for June 30, 2020 and audited annual financial statements for December 31, 2019 and 2018, and is not a reconciliation of beginning and ending net assets per unit.
- (2) The Fund commenced operations on May 1, 2018; as a result, financial highlights are currently available only from the date of commencement.
- (3) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (4) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.
- (5) This information is provided as at June 30, 2020, December 31, 2019 and December 31, 2018.
- (6) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.
- (7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period. Included in the trading expense ratio are the forward fees.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the units in its portfolio once in the course of the period. The higher a funds' portfolio turnover rate in the period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

The following information shown assumes that all distributions made by the Fund in the period shown were reinvested in additional securities of the Fund and does not consider sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The following line chart shows the Fund's periodic performance. The line chart shows, in dollar terms, how much a \$100 investment in Class A, Class F, and Class I units, respectively, made on the first day of each financial year, would have grown or decreased to by the last day of the calendar year.

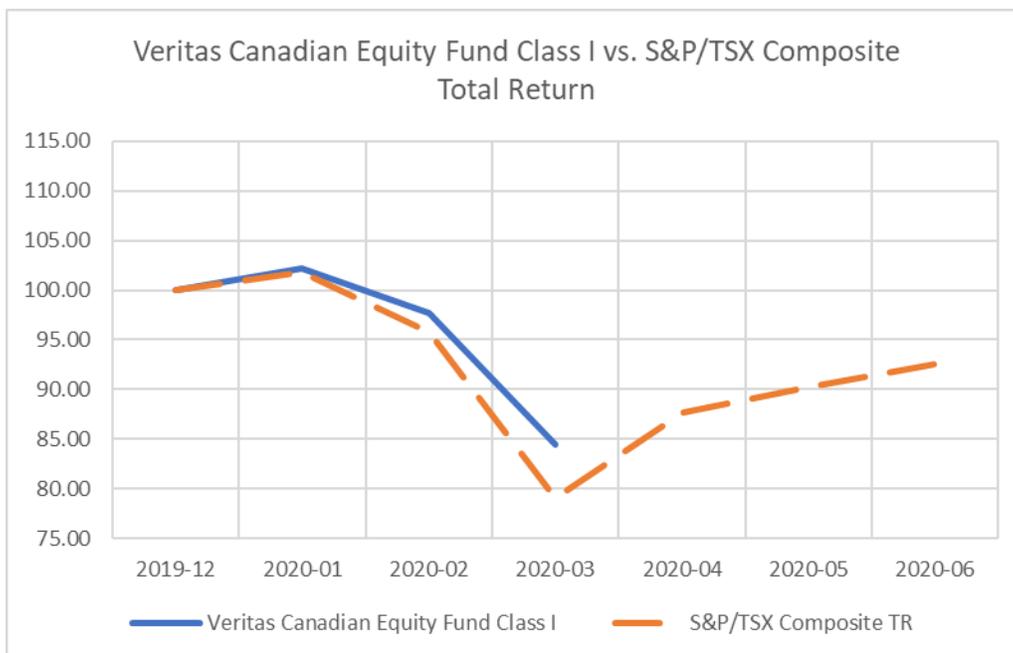
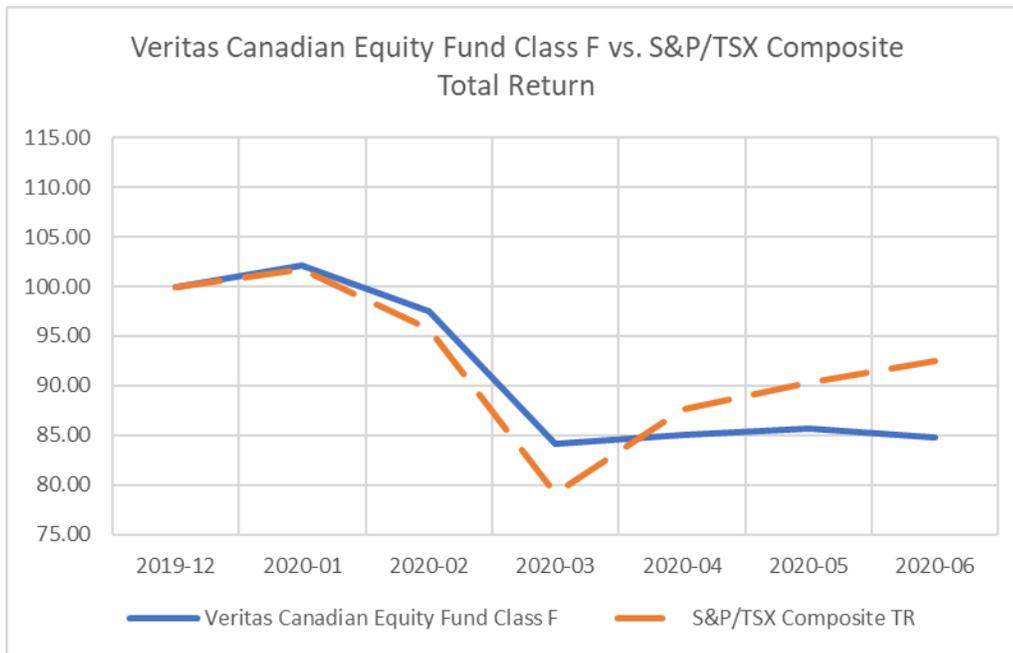
The returns for the period ended June 30, 2020 and year ended December 31, 2019 in Funds A, F and I are as follows:



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Benchmark(s) Information

The benchmark of the fund is the S&P/TSX TR Index. The S&P/TSX TR is the benchmark Canadian index, representing approximately 95% coverage of the Canadian equities market as measured by market capitalization (232 constituents).

Annual Compound Returns

Performance for the six-month period ended June 30, 2020 and year ended December 31, 2019 (Class I inception was March 25, 2019, ergo, full year returns are unavailable).

	From January 1, 2020 [†]	From January 1, 2019
Fund, Class A	(15.7%)	18.21%
Fund, Class F	(15.2%)	20.31%
Fund, Class I	(15.6%)**	8.77%*
INDEX	(7.5%)	22.88%*

*Since March 25, 2019

** Fully redeemed March
31, 2020

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The following tables show selected key financial information about the Fund and is intended to assist in the understanding of the Fund's financial performance for the six months ended June 30, 2020.

2020

Portfolio Composition

Sector Allocation	% of Net Asset Value
Communication Services	11.7%
Consumer Staples	32.6%
Real Estate	5.9%
Energy	8.6%
Industrials	4.4%
Utilities	8.7%
Financials	2.9%
Materials	6.4%
Information Technology	2.8%
Other assets and liabilities	6.7%
Cash and cash equivalents	9.3%
Total Portfolio Allocation	100.0%
Total Net Asset Value	\$13,284,157

Top 25 Holdings

Issuer	% of Net Asset Value
Metro Inc.	8.4%
Loblaw Cos Ltd	8.2%
Cogeco Communications Inc.	8.2%
George Weston Ltd	8.1%
Maple Leaf Foods Inc.	7.7%
SPDR Gold Shares	6.8%
Waste Connections Inc.	4.4%
Quebecor Inc.	3.5%
Granite Real Estate Investment Trust	3.0%
Canadian Utilities Ltd	3.0%
Manulife Financial Corp.	2.9%
Canadian Natural Resources Ltd	2.9%
Killam Apartment Real Estate Investment Trust	2.8%
CGI Inc.	2.8%
Hydro One Ltd	2.8%
TransAlta Corp.	2.8%
TC Energy Corp.	2.8%
Enbridge Inc.	2.7%
Other assets and liabilities	6.7%
Cash and cash equivalents	9.3%
Total Percentage of Net Asset Value Represented by Holdings	99.8%

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

It is true that at June 30, 2019, the Fund had fewer than 25 positions. The data presented in the above tables is as of June 30, 2020.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.