

VERITAS CANADIAN EQUITY FUND

Management Report of Fund Performance

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

For the year ended December 31, 2021



VERITAS
ASSET
MANAGEMENT

VERITAS CANADIAN EQUITY FUND

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Forward-Looking Statements (“FLS”)

The annual 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 years ended December 31, 2021, the investment fund's annual year 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 Fund's 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 earn enhanced risk-adjusted returns relative to the S&P/TSX Composite Total Return Index, generating long-term capital appreciation for Unitholders from an investment portfolio comprised primarily of Canadian-listed corporate securities.

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 Manager 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 and may use options to reduce downside risk. The Fund may invest up to 10% of its investment portfolio in the securities of U.S. issuers, but will not invest in the securities of non-North American 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 years ended December 31, 2021 and 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

For the years ended December 31, 2021, Class A units posted a total return of 22.45% (2020: -5.99%), Class F units 23.84% (2020: -4.91%) and Class I units 25.16% (2020: -10.46%). The Fund's benchmark is the S&P/TSX Composite Total Return "S&P/TSX TR" Index which returned 25.16% (2020: 5.60%). 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.

The Fund's 2021 performance relative to the S&P/TSX Composite was primarily due to the Fund's fees and expenses for professional management, which are costs not included in the index return. Over the year, the fund delivered a low correlation to the S&P/TSX Composite, at 0.8, and lower volatility than the index.

For the year ended December 31, 2021, the Fund's Assets Under Management (AUM) increased to \$23.3 million from \$14.5 million on December 31, 2020, as a result of positive investment returns and net subscriptions.

The net assets of the Fund Class A units increased by 123.19% from \$1.0 million on December 31, 2020 to \$2.3 million on December 31, 2021. This change was composed primarily of net sales.

The net assets of the Fund Class F units increased by 58.80% from \$11.7 million on December 31, 2020 to \$18.6 million on December 31, 2021. The change was the result of positive investment returns and net subscriptions.

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The net assets of the Fund Class I units increased by 36.41% from \$1.8 million on December 31, 2020 to \$2.5 million on December 31, 2021. This change was the result of positive fund returns and net subscriptions.

The NAV per unit of the Fund's Class A units increased by 20.59% from \$10.78 on December 31, 2020 to \$13.00 on December 31, 2021. The NAV per unit of the Fund's Class F units increased by 22.65% from \$10.73 on December 31, 2020 to \$13.16 on December 31, 2021. The NAV per unit of the Fund's Class I units increased by 22.50% from \$10.31 on December 31, 2020 to \$12.63 on December 31, 2021.

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

Government pandemic support unleashed incredible liquidity into the global economy from mid 2020 onwards. With households spending less and directing a significant portion of their savings into investments, equity markets have seen a rapid rebound from March 2020 lows.

In 2021, elevated cash balances and higher risk tolerance remained key factors driving markets higher. However, as economies have reopened, supply constraints, tight labour markets and renewed spending have accelerated inflation to multi-decade highs. To slow inflation, global central bankers, including those in North America plan to pare back their Treasury holdings and raise rates in 2022, which poses a high degree of risk for equity markets.

Given this year's backdrop, we remain focused on diversifying our holdings and managing market exposures in 2022, with the expectation that careful stock selection and risk reduction strategies will continue to deliver benefits.

The current members of the Fund's Investment Review Committee are: Fraser Howell (chair), Gordon Graves and Vince Zambrano.

Related Party Transactions

The Manager receives a management fee calculated daily as a percentage of the net asset value of each applicable class of Units that comprise the Fund and payable 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: 1.95% per annum of the net asset value of Class A units of the Fund calculated daily and payable on the last business day of the month.
- Class F: 0.95% per annum of the net asset value of Class F units of the Fund calculated daily and payable 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

Expense reimbursement by the Manager during the year ended December 31, 2021 amounted to \$61,373 (2020: \$102,479), out of which \$2,331 was receivable as of December 31, 2021 (2020: \$82).

Ownership

As of December 31, 2021, 131,756 units (2020: 75,399) of Class F were owned by parties related to the Manager.

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Management Discussion of Fund Performance for the year ended December 31, 2021

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 explain the Fund's financial performance for the years ended December 31, 2021, 2020, 2019 and 2018. The 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, redemptions, distributions 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.

The Fund's Net Asset Value (NAV) per Class A Unit (1) (2)	2021	2020	2019	2018
Net asset value, beginning of year	\$10.78	\$11.46	\$9.78	\$10.00
Increase (decrease) from operations:				
Total revenue	0.32	0.28	0.31	0.05
Total expenses	(0.39)	(0.33)	(0.42)	(0.05)
Realized gains (losses) for the year	1.73	(1.19)	0.54	(0.10)
Unrealized gains (losses) for the year	0.60	0.43	1.15	(0.11)
Total increase (decrease) from operations (3)	\$2.26	\$(0.81)	\$1.58	\$(0.21)
Distributions:				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	(0.01)
From capital gains	(0.20)	-	(0.09)	-
Return of capital	-	-	-	-
Total distributions (3) (4)	\$(0.20)	\$-	\$(0.09)	\$(0.01)
Net asset value, end of year (3)	\$13.00	\$10.78	\$11.46	\$9.78
Ratios and Supplemental Data				
Total net asset value (5)	\$2,283,810	\$1,023,242	\$890,788	\$ 29,141
Number of units outstanding (5)	175,699	94,933	77,697	2,981
Management expense ratio (6)	3.19%	3.25%	3.73%	0.65%
Management expense ratio before waivers or absorptions	3.51%	4.00%	3.75%	1.58%
Trading expense ratio (7)	0.17%	0.10%	0.07%	0.04%
Portfolio turnover rate (8)	262.00%	251.95%	162.40%	36.35%
Net asset value per unit	\$13.00	\$10.78	\$11.46	\$9.78

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The Fund's Net Asset Value (NAV) per Class F Unit (1) (2)	2021	2020	2019	2018
Net asset value, beginning of year	\$10.73	\$11.29	\$9.60	\$10.00
Increase (decrease) from operations:				
Total revenue	0.31	0.28	0.29	0.17
Total expenses	(0.25)	(0.21)	(0.26)	(0.13)
Realized gains (losses) for the year	1.76	(1.13)	0.47	(0.13)
Unrealized gains (losses) for the year	0.69	0.38	0.96	(0.40)
Total increase (decrease) from operations (3)	\$2.51	\$(0.68)	\$1.46	\$(0.49)
Distributions:				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	(0.03)
From capital gains	(0.13)	-	(0.26)	-
Return of capital	-	-	-	-
Total distributions (3) (4)	\$(0.13)	\$-	\$(0.26)	(0.03)
Net asset value, end of year (3)	\$13.16	\$10.73	\$11.29	\$9.60
Ratios and Supplemental Data				
Total net asset value (5)	\$18,564,724	\$11,690,068	\$8,647,428	\$1,981,492
Number of units outstanding (5)	1,410,682	1,089,175	766,042	206,396
Management expense ratio (6)	2.06%	2.12%	2.32%	1.26%
Management expense ratio before waivers or absorptions	2.40%	2.89%	3.43%	5.73%
Trading expense ratio (7)	0.17%	0.10%	0.07%	0.04%
Portfolio turnover rate (8)	262.00%	251.95%	162.40%	36.35%
Net asset value per unit	\$13.16	\$10.73	\$11.29	\$9.60

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The Fund's Net Asset Value (NAV) per Class I Unit			
(1) (2)	2021	2020	2019
Net asset value, beginning of year	\$10.31	\$10.52	\$10.00
Increase (decrease) from operations:			
Total revenue	0.30	0.18	0.21
Total expenses	(0.12)	(0.07)	(0.09)
Realized gains for the year	1.74	(1.91)	0.34
Unrealized gains for the year	0.67	(1.44)	0.35
Total increase (decrease) from operations (3)	\$2.59	\$(3.24)	\$0.81
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	(0.28)	(0.10)	(0.12)
From capital gains	-	-	(0.23)
Return of capital	-	-	-
Total distributions (3) (4)	\$(0.28)	\$(0.10)	(0.35)
Net asset value, end of year (3)	\$12.63	\$10.31	\$10.52
Ratios and Supplemental Data			
Total net asset value (5)	\$2,479,907	\$1,817,977	\$8,703,749
Number of units outstanding (5)	196,421	176,262	827,096
Management expense ratio (6)	1.00%	0.68%	0.85%
Management expense ratio before waivers or absorptions	1.35%	0.77%	1.03%
Trading expense ratio (7)	0.17%	0.10%	0.07%
Portfolio turnover rate (8)	262.00%	251.95%	162.40%
Net asset value per unit	\$12.63	\$10.31	\$10.52

Notes:

- (1) This information is derived from the Fund's audited financial statements for December 31, 2021, 2020, 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 increase (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 December 31, 2021, 2020, 2019 and 2018.
- (6) Management expense ratio is based on total expenses (excluding distributions and 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.

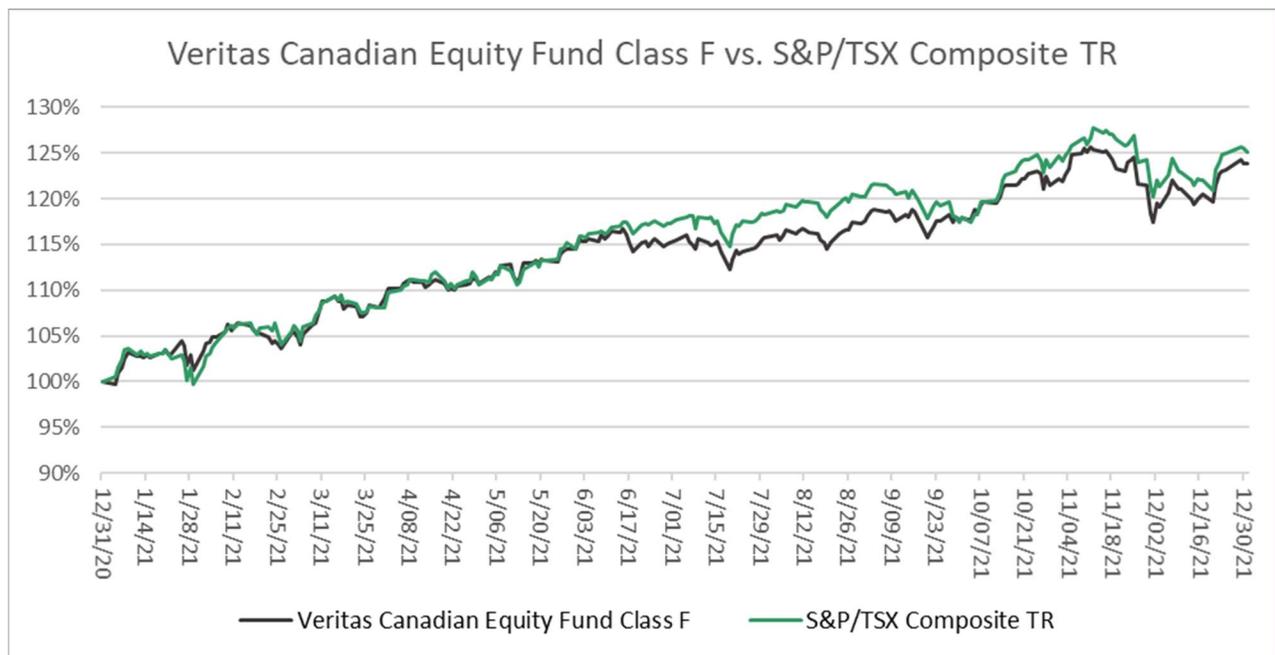
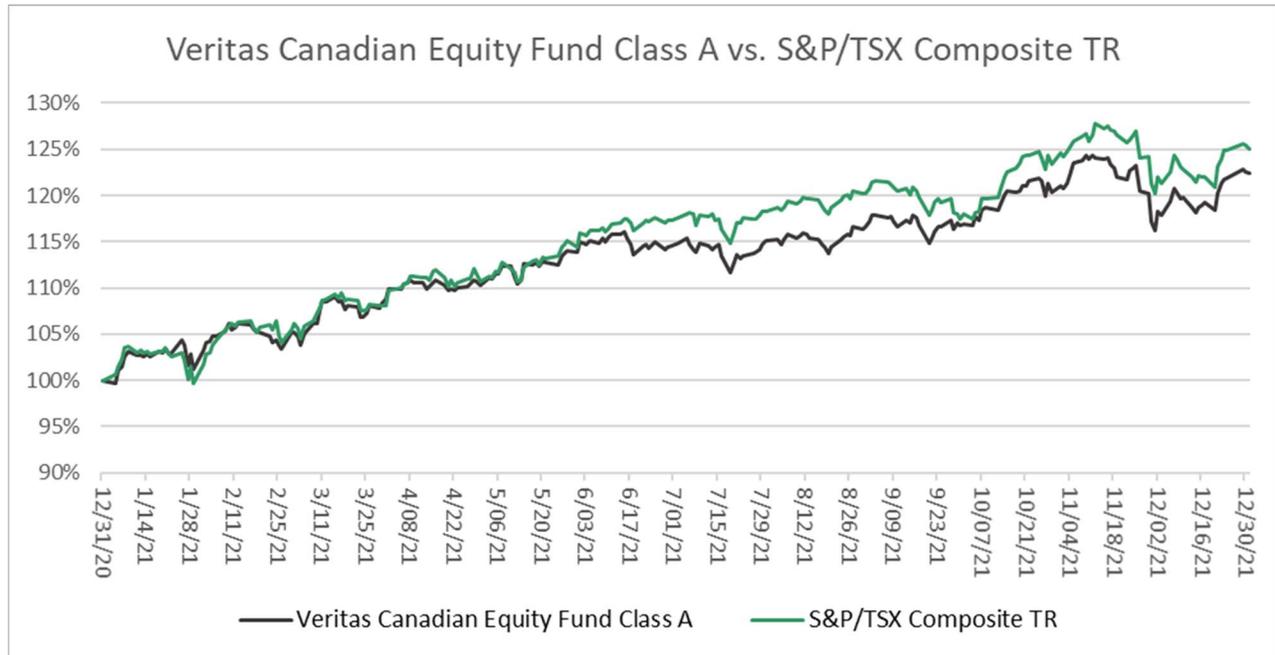
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2021 Returns

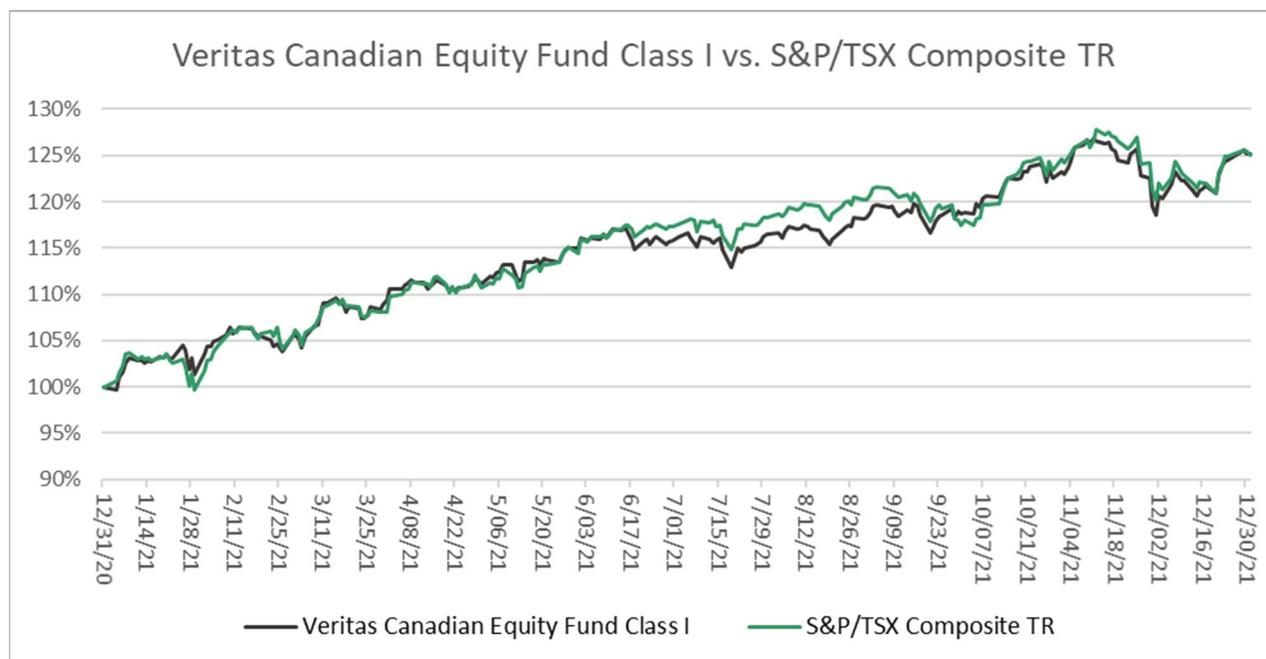
The following line charts show the Fund's performance by class for 2021 versus the benchmark.



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Benchmark Information

The benchmark of the Fund is the S&P/TSX Composite Total Return Index. The S&P/TSX TR, with 241 constituents, is the benchmark Canadian index, representing approximately 85% coverage of TSX and TSX Venture listed companies, as measured by market capitalization.

Annual Compound Returns

The table below presents performance for the years ended December 31, 2021 and 2020.

	From January 1, 2021	From January 1, 2020
Fund, Class A	22.45%	(5.99)%
Fund, Class F	23.84%	(4.91)%
Fund, Class I	25.16%	(10.46)%*
INDEX	25.09%	5.60%

* The I Series of the Fund was dormant between April 1, 2020 and August 10, 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 year ended December 31, 2021.

Portfolio Composition		Top 25 Holdings	
Sector Allocation	% of Net Asset Value	Issuer	% of Net Asset Value
Financials	21.1%	LONG POSITIONS	
Energy	14.9%	Home Capital Group Inc.	4.2%
Utilities	11.6%	Hydro One Ltd	4.1%
Consumer Staples	11.0%	RioCan Real Estate Investment Trust	4.0%
Industrials	10.5%	Cogeco Communications Inc.	4.0%
Real Estate	9.8%	Canadian Imperial Bank of Commerce	3.9%
Communication Services	7.9%	George Weston Ltd	3.9%
Consumer Discretionary	6.3%	TELUS Corp.	3.8%
Materials	3.6%	TransAlta Corp.	3.8%
Information Technology	2.0%	Manulife Financial Corp.	3.8%
Cash and cash equivalent	0.9%	Capital Power Corp.	3.7%
Other assets and liabilities	0.4%	Aimentation Couche-Tard Inc.	3.7%
		Linamar Corp.	3.5%
Total Portfolio Allocation	100.0%	Royal Bank of Canada	3.5%
		The Bank of Nova Scotia	3.5%
Total Net Asset Value	\$ 23,328,441	Metro Inc.	3.4%
		Enbridge Inc.	3.4%
		Killam Apartment Real Estate Investment Trust	3.3%
		Canadian Pacific Railway Ltd	3.1%
		Canadian Natural Resources Ltd	3.0%
		Suncor Energy Inc.	2.9%
		Enerplus Corp.	2.9%
		Dollarama Inc.	2.8%
		ARC Resources Ltd	2.7%
		TFI International Inc.	2.6%
		Granite Real Estate Investment Trust	2.5%
		Total % of Net Asset Value	
		Represented by Holdings	86.0%

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.

The data presented in the above tables is as of December 31, 2021.

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.