



Dear Fellow Investor:

There was no shortage of commentary about frothy markets in February, even as indices marked new all-time highs. With valuations continuing to climb, it also doesn't take much to rattle markets these days. Exhibit A is the rise in long bonds, which were up 45 bps last month, reminiscent of the beginnings of the 2013 Taper Tantrum, when U.S. 10-year treasuries rose 120 bps.

In 2013, the Fed triggered a sell-off by saying it would slow its bond-buying. This time it only took the Fed saying that it was happy with its current pace. And unlike 2013, when the Fed reacted to the tantrum by launching a new QE, this time around the Fed seems more reluctant to fuel the market's already-rampant speculation. As a result, equity investors remain on edge, particularly where valuations are stretched and growth faces a re-rating. With certain companies investing their cash balances in Bitcoin, we don't think analogies to March 2000 are too far fetched, at least in some corners of the market.

Most recently, we have highlighted Technology and Renewables as two areas of concern. These sectors now appear to be correcting. We also see pressures ahead for perceived 'work-from-home' stocks, as many valuations have raced ahead of fundamentals. With the pace of reopening likely to be uneven and many stocks already recovered to pre-pandemic levels, we think research and active stock-picking will be critical this year and next. We are proud to be backed by some of the best research on the street.

We are positioned for the market's change. Over the last six-months, Our Canadian Equity Fund is up 12.77%, 175 bps ahead of the S&P/TSX Index. Our Absolute Return Fund is up 6.77%.

Thank you for your continued support.

Your fellow investors,

Anthony Scilipoti
Sam La Bell



FUND DETAILS*

Type	Fee based
Fund Code	VAM 301
Total Assets (All series)	\$20.0 million
Category	Alternative Mutual Fund
Inception Date	October 1, 2019
Management Fee	1.5%
Total Number of Holdings	57
Total Long Positions	40
Total Short Positions	17
Minimum Investment	\$5,000 initial / \$500 subsequent
Firm AUM	\$34.1 million
Employee AUM ¹	\$2.9 million
Distribution Frequency	Annually if any

PORTFOLIO OBJECTIVE

The investment objective of the Fund is to achieve attractive risk adjusted rates of return that deliver long-term capital appreciation to unitholders.

The Fund will invest primarily in the securities of publicly traded Canadian companies that the Portfolio Manager identifies as mispriced. Long and short positions will be determined primarily based (in part) on recommendations provided by Veritas Investment Research Corporation (an affiliate of the Portfolio Manager). The Portfolio Manager may also invest in securities that are not formally covered by Veritas Investment Research Corporation.

The Fund will manage its long and short positions to reduce the impact of market volatility on the Fund's investment portfolio.

WHY INVEST WITH US

- The Fund manages risks with the aim of preserving capital in down markets and achieving consistent returns.
- The Fund's long-short capability targets lower volatility than equities, less correlation to traditional asset classes, and greater downside protection.
- The Fund pursues an active investment discipline using forensic-accounting based research.
- Fundamental analysis is paired with systematic stock selection to generate alpha.
- Suitable for investors with a medium risk profile.
- Weekly liquidity.
- No performance fees.

ABOUT VERITAS ASSET MANAGEMENT

Veritas Asset Management (VAM) is an independent employee owned research driven investment manager. VAM was founded on the belief that superior research leads to better investment decisions. VAM sources its investment ideas from Veritas Investment Research Corp. (VIR), an award-winning independent equity research organization whose fundamental analysis is based on forensic-accounting principles.

Once ideas are selected, the next step in building a VAM portfolio is risk management. After studying the fundamentals, the portfolio managers at VAM overlay a factor-based risk management strategy. This approach allows VAM to select a portfolio of names and individual weights that, when combined, are designed to minimize risk. VAM is sector agnostic and takes concentrated positions based on each company's relative risk/reward characteristics.

Together, VAM and VIR offer a unique investment solution that diversifies and adds value to investor portfolios.

MONTHLY RETURNS % (NET OF FEES)⁴

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Cal*
2021	1.1	-0.3											
2020	1.3	-1.6	4.3	-5.3	-2.0	-0.2	2.9	-1.6	1.2	-2.8	7.1	0.6	3.3
2019										0.5	2.7	-0.6	2.6

PERFORMANCE⁵

	YTD	1 MONTH	1 YEAR	SINCE INCEPTION
FUND	0.7%	-0.3%	4.4%	6.8%
INDEX	4.0%	4.4%	14.7%	13.3%

EXPOSURES ²	
Volatility Risk Profile	Medium
Gross Exposure	120%
Net Exposure	89%

	TOP TEN HOLDINGS ³	TICKER	LONG/SHORT
1	Maple Leaf Foods Inc.	MFI	LONG
2	Capital Power Corp.	CPX	LONG
3	Hydro One Ltd.	H	LONG
4	Manulife Financial Corp.	MFC	LONG
5	George Weston Ltd.	WN	LONG
6	Granite REIT	GRT-U	LONG
7	Sun Life Financial Inc.	SLF	LONG
8	TFI International Inc.	TFII	LONG
9	TransAlta Corp.	TA	LONG
10	Metro Inc.	MRU	LONG



TANTRUM PART II

The relief rally triggered by vaccine rollouts continued in February as indexes again hit all-time highs. As we saw, however, it takes very little to rattle the markets these days. In a move reminiscent of the 2013 Taper Tantrum, when U.S. 10-year treasuries rose 120 basis points over four months, long bond yields rose 45 bps last month.

In 2013 the Fed triggered a sell-off by saying it would slow its bond-buying, but this time around it only took the Fed saying that it was happy with its current pace. And unlike 2013, when the Fed reacted to the tantrum by launching a new QE, this time around the Fed seems more reluctant to fuel the market's already-rampant speculation. As a result, equity investors remain on edge, particularly where valuations are stretched and growth multiples face a re-rating.

Faced with this backdrop and our focus on delivering absolute returns, our fund remained conservatively positioned in February. The S&P/TSX return of 4.36% in February included a contribution of 1.14% from Shopify, which has since fully reversed, with strength in Financials and Energy. Series F units of our fund returned -0.31%.

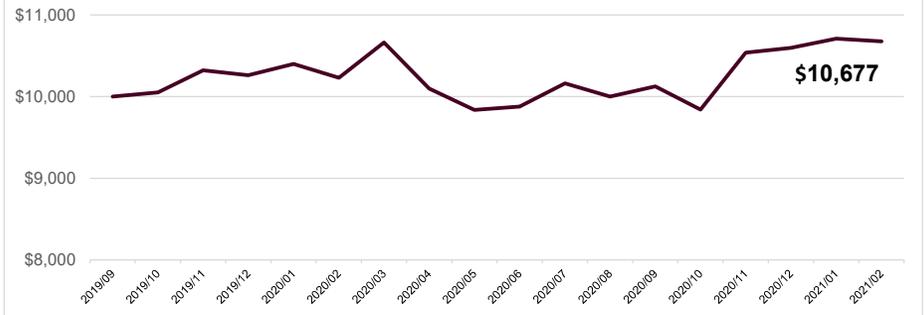
The Fund's long position in **SNC Lavalin (SNC)** was the top contributor to performance in February. Our view has been that **SNC's** self-inflicted problems were resolvable and that its shares were increasingly investable as the uncertainty facing its restructuring efforts began to life. The worst now looks to be behind the company with favorable guidance and a base of steadier cash flows from which to grow.

The Fund's long position in **Air Canada (AC)** was the second-best contributor to fund performance in February, as vaccine successes encouraged investors to price in a re-opening of air travel, a reduction in the company's cash burn in future quarters and a potential government aid package.

Our goal is to buy the best companies in sectors where we identify positive investment catalysts and take strategic short positions in poorly positioned companies in challenged industries. We evaluate companies based on balance sheet strength; free cash flow sustainability; transparent financial reporting and governance; as well as the ability to endure periods of economic weakness.

PERFORMANCE⁶

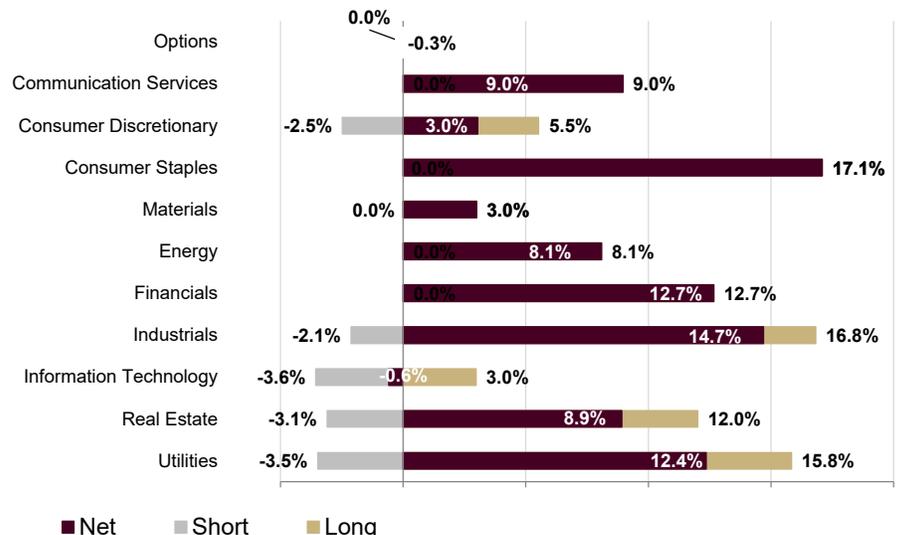
Growth of \$10,000 (since inception date)



RISK MEASURES⁷

	1 YEAR	SINCE INCEPTION
Fund Sharpe Ratio ⁸		0.42
Index Sharpe Ratio		0.43
Beta ⁹	-0.10	-0.05
Correlation ¹⁰	-0.21	-0.12
Fund Volatility ¹⁰	11.4%	9.9%
Index Volatility	25.2%	22.0%
Best Month		7.1%
Worst month		-5.3%
# of months +		9
Worst drawdown ¹¹		-10.2%

SECTOR ALLOCATIONS¹²





DISCLOSURES

The information contained herein is for general information purposes and does not constitute a solicitation for the purchase or sale of securities. The full details of the Fund, its investment strategies and the risks are detailed in the Fund's current simplified prospectus, annual information form, and fund facts document, copies of which may be obtained from Sedar, your dealer, Veritas Asset Management Inc. ("VAM") or at Veritasfunds.com. Please read the prospectus before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. All performance data assume reinvestment of all distributions or dividends and do not take into account other charges or income taxes payable by any unitholder that would have reduced returns. The performance of the Fund is not guaranteed, unit values change frequently and past performance may not be repeated. Performance is presented in Canadian dollars, unless otherwise stated, and is net of fees of Series F units of the Fund. VAM is an affiliate of Veritas Investment Research Corporation ("VIR"), which produces and issues independent equity research regarding public issuers to investors and other capital markets participants. VAM is a client of VIR and receives research reports from VIR at the same time as VIR's other clients. VIR and VAM have implemented policies and procedures to minimize the potential for and to address conflicts of interest, which are available upon request.

1. Employee AUM includes all parties related to the Manager in all series or classes of all Veritas Asset Management Inc. Funds, as at February 26, 2021.
2. Source: Veritas Asset Management Inc. estimates. Calculated using end of day positions for period ending February 26, 2021.
3. Source: Refinitiv & Veritas Asset Management Inc. estimates. Portfolio weights refer to end of day weights for period ending February 26, 2021.
4. Source: Refinitiv, Veritas Asset Management Inc. estimates. Calendar year returns are based on monthly compounded returns. Veritas Absolute Return Fund Series F monthly returns net of fees and expenses are based on independent third party end of month net asset value (NAV) calculations and on internal unaudited estimates. Past performance is not indicative of future performance.
5. Source: Refinitiv. Series F Inception Date: October 1, 2019. Portfolio weights refer to end of day weights for period ending February 26, 2021. Past performance is not indicative of future performance. The S&P/TSX Composite Index is a capitalization-weighted index that represents some of the largest float-adjusted stocks trading on the Toronto Stock Exchange. Contact Veritas Asset Management Inc. for more information regarding comparative indices.
6. Source: Refinitiv. Series F Inception Date: October 1, 2019. Performance as of February 26, 2021. Past performance is not indicative of future performance.
7. Source: Refinitiv & Veritas Asset Management Inc. estimates. Series F Inception Date: October 1, 2019. The S&P/TSX Composite Index is a capitalization-weighted index that represents some of the largest float-adjusted stocks trading on the Toronto Stock Exchange. Contact Veritas Asset Management Inc. for more information regarding comparative indices.
8. The Sharpe ratio is internally calculated using daily NAV returns on the fund, subtracting a risk free rate based on rolling three-month Government of Canada bond yields, converted to a daily return. The observed (ex-post) Sharpe ratio produced using these daily excess returns is annualized based on 252 trading days per year.
9. Beta (observed beta) $\beta_{i,f}$ based on historical relationship between fund return (F) and index (I) performance. $\beta_{i,f} = \text{Cov}(R_i, R_f) / \text{Var}(R_i)$ where R_i is the monthly index return, R_f is monthly fund return.
10. Correlation is calculated using monthly returns between the fund and index. Volatility is expressed in terms of historical annual volatility. Historical monthly volatility is measured by the standard deviation of monthly returns. Historical Annual Volatility is measured by annualizing monthly data.
11. Worst drawdown is based on independent third party daily net asset value (NAV) calculations and Veritas Asset Management Inc. estimates.
12. Source: Refinitiv & Veritas Asset Management Inc. estimates. Portfolio weights refer to end of day weights for period ending February 26, 2021.

* Portfolio Manager changed to Antonio Scilipoti as of October 1, 2020.

* All dollar figures are represented in CAD unless otherwise noted.