

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, 2021



VERITAS  
ASSET  
MANAGEMENT

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

**Management Discussion of Fund Performance for the six months ended June 30, 2021**

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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.

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the six months ended June 30, 2021

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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, 2021, the investment fund's interim 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 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 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 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 six months ended June 30, 2021 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 six months ended June 30, 2021, Class A units returned 14.5% (June 30, 2020: -15.7%) and Class F units returned 15.1% (June 30, 2020: -15.2%). The Fund's benchmark is the S&P/TSX Composite Total Return "S&P/TSX TR" Index which returned 17.3% (June 30, 2020: -7.50%) 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, 2021, our Assets Under Management (AUM) increased to \$17.7 million from \$14.5 million on December 31, 2020, as a result of positive investment returns and net subscriptions.

The Fund's performance relative to the S&P/TSX Composite was primarily due to contribution of Shopify to the Composite and the Fund's fees and expenses. Over the first six months, Shopify contributed an estimated 1.6% of the 17.3% total return on the S&P/TSX Composite.

The net assets of the Fund Class A units increased by 60.4% from \$1.0 million on December 31, 2020 to \$1.6 million on June 30, 2021. This change was composed primarily of net sales.

The net assets of the Fund Class F units increased by 17.5% from \$11.7 million on December 31, 2020 to \$13.7 million on June 30, 2021. The change was primarily of due to positive fund returns.

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### Management Discussion of Fund Performance for the six months ended June 30, 2021

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The net assets of the Fund Class I units increased by 26.2% from \$1.8 million on December 31, 2020 to \$2.3 million on June 30, 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 14.5% from \$10.78 on December 31, 2020 to \$12.34 on June 30, 2021. The NAV per unit of the Fund's Class F units increased by 15.1% from \$10.73 on December 31, 2020 to \$12.36 on June 30, 2021. The NAV per unit of the Fund's Class I units increased by 15.7% from \$10.31 on December 31, 2020 to \$11.94 on June 30, 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 in 2020, with households spending less and directing a significant portion of their savings into investments, leading to a rapid rebound in markets.

In the first half of 2021, elevated cash balances and higher risk tolerance, both for households and corporations, remained key factors driving markets higher. In the second half, we expect conditions to moderate as government spending is tapered and economic conditions return to normal. Inflation risks, supply chain disruptions and further global fallout from coronavirus variants, suggest a high degree of caution over the balance of the year.

We remain focused on diversifying our holdings and managing market risk in 2021, 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 period ended June 30, 2021 amounted to \$40,381 (June 30, 2020: \$47,602), out of which \$9,456 was receivable as of June 30, 2021 (December 31, 2020: \$82).

#### Ownership

As of June 30, 2021, 96,808 units (December 31, 2020: 75,399) of Class F were owned by parties related to the Manager.

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the six months ended June 30, 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 period ended June 30, 2021 and the years ended December 31, 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)	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>Net asset value, beginning of period</b>	<b>\$10.78</b>	<b>\$11.46</b>	<b>\$9.78</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations:</b>				
Total revenue	0.15	0.28	0.31	0.05
Total expenses	(0.19)	(0.33)	(0.42)	(0.05)
Realized gains (losses) for the period	1.22	(1.19)	0.54	(0.10)
Unrealized gains (losses) for the period	0.33	0.43	1.15	(0.11)
<b>Total increase (decrease) from operations (3)</b>	<b>\$1.51</b>	<b>\$(0.81)</b>	<b>\$1.58</b>	<b>\$(0.21)</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	(0.01)
From capital gains	-	-	(0.09)	-
Return of capital	-	-	-	-
<b>Total distributions (3) (4)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(0.09)</b>	<b>\$(0.01)</b>
<b>Net asset value, end of period (3)</b>	<b>\$12.34</b>	<b>\$10.78</b>	<b>\$11.46</b>	<b>\$ 9.78</b>
<b>Ratios and Supplemental Data</b>				
Total net asset value (5)	\$1,646,097	\$1,023,242	\$890,788	\$ 29,141
Number of units outstanding (5)	133,385	94,933	77,697	2,981
Management expense ratio (6)	3.21%	3.25%	3.73%	0.65%
Management expense ratio before waivers or absorptions	3.73%	4.00%	3.75%	1.58%
Trading expense ratio (7)	0.14%	0.10%	0.07%	0.04%
Portfolio turnover rate (8)	154.17%	251.95%	162.40%	36.35%
<b>Net asset value per unit</b>	<b>\$12.34</b>	<b>\$10.78</b>	<b>\$11.46</b>	<b>\$9.78</b>

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance for the six months ended June 30, 2021

The Fund's Net Asset Value (NAV) per Class F Unit (1) (2)	June 30, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>Net asset value, beginning of period</b>	<b>\$10.73</b>	<b>\$11.29</b>	<b>\$9.60</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations:</b>				
Total revenue	0.14	0.28	0.29	0.17
Total expenses	(0.12)	(0.21)	(0.26)	(0.13)
Realized gains (losses) for the period	1.19	(1.13)	0.47	(0.13)
Unrealized gains (losses) for the period	0.42	0.38	0.96	(0.40)
<b>Total increase (decrease) from operations (3)</b>	<b>\$1.63</b>	<b>\$(0.68)</b>	<b>\$1.46</b>	<b>\$(0.49)</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	(0.03)
From capital gains	-	-	(0.26)	-
Return of capital	-	-	-	-
<b>Total distributions (3) (4)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$(0.26)</b>	<b>(0.03)</b>
<b>Net asset value, end of period (3)</b>	<b>\$12.36</b>	<b>\$10.73</b>	<b>\$11.29</b>	<b>\$9.60</b>
<b>Ratios and Supplemental Data</b>				
Total net asset value (5)	\$13,740,238	\$11,690,068	\$8,647,428	\$1,981,492
Number of units outstanding (5)	1,111,810	1,089,175	766,042	206,396
Management expense ratio (6)	2.07%	2.12%	2.32%	1.26%
Management expense ratio before waivers or absorptions	2.60%	2.89%	3.43%	5.73%
Trading expense ratio (7)	0.14%	0.10%	0.07%	0.04%
Portfolio turnover rate (8)	154.17%	251.95%	162.40%	36.35%
<b>Net asset value per unit</b>	<b>\$12.36</b>	<b>\$10.73</b>	<b>\$11.29</b>	<b>\$9.60</b>

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the six months ended June 30, 2021

The Fund's Net Asset Value (NAV) per Class I Unit (1) (2)	June 30, 2021	December 31, 2020	December 31, 2019
<b>Net asset value, beginning of period</b>	<b>\$10.31</b>	<b>\$10.52</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.14	0.18	0.21
Total expenses	(0.06)	(0.07)	(0.09)
Realized gains for the period	1.16	(1.91)	0.34
Unrealized gains for the period	0.38	(1.44)	0.35
<b>Total increase (decrease) from operations (3)</b>	<b>\$1.62</b>	<b>\$(3.24)</b>	<b>\$0.81</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	(0.10)	(0.12)
From capital gains	-	-	(0.23)
Return of capital	-	-	-
<b>Total distributions (3) (4)</b>	<b>\$-</b>	<b>\$(0.10)</b>	<b>(0.35)</b>
<b>Net asset value, end of period (3)</b>	<b>\$11.94</b>	<b>\$10.31</b>	<b>\$10.52</b>
<b>Ratios and Supplemental Data</b>			
Total net asset value (5)	\$2,294,284	\$1,817,977	\$8,703,749
Number of units outstanding (5)	192,189	176,262	827,096
Management expense ratio (6)	1.01%	0.68%	0.85%
Management expense ratio before waivers or absorptions	1.52%	0.77%	1.03%
Trading expense ratio (7)	0.14%	0.10%	0.07%
Portfolio turnover rate (8)	154.17%	251.95%	162.40%
<b>Net asset value per unit</b>	<b>\$11.94</b>	<b>\$10.31</b>	<b>\$10.52</b>

#### Notes:

- (1) This information is derived from the Fund's unaudited financial statements for June 30, 2021 and audited financial statements for December 31, 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 June 30, 2021, December 31, 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.

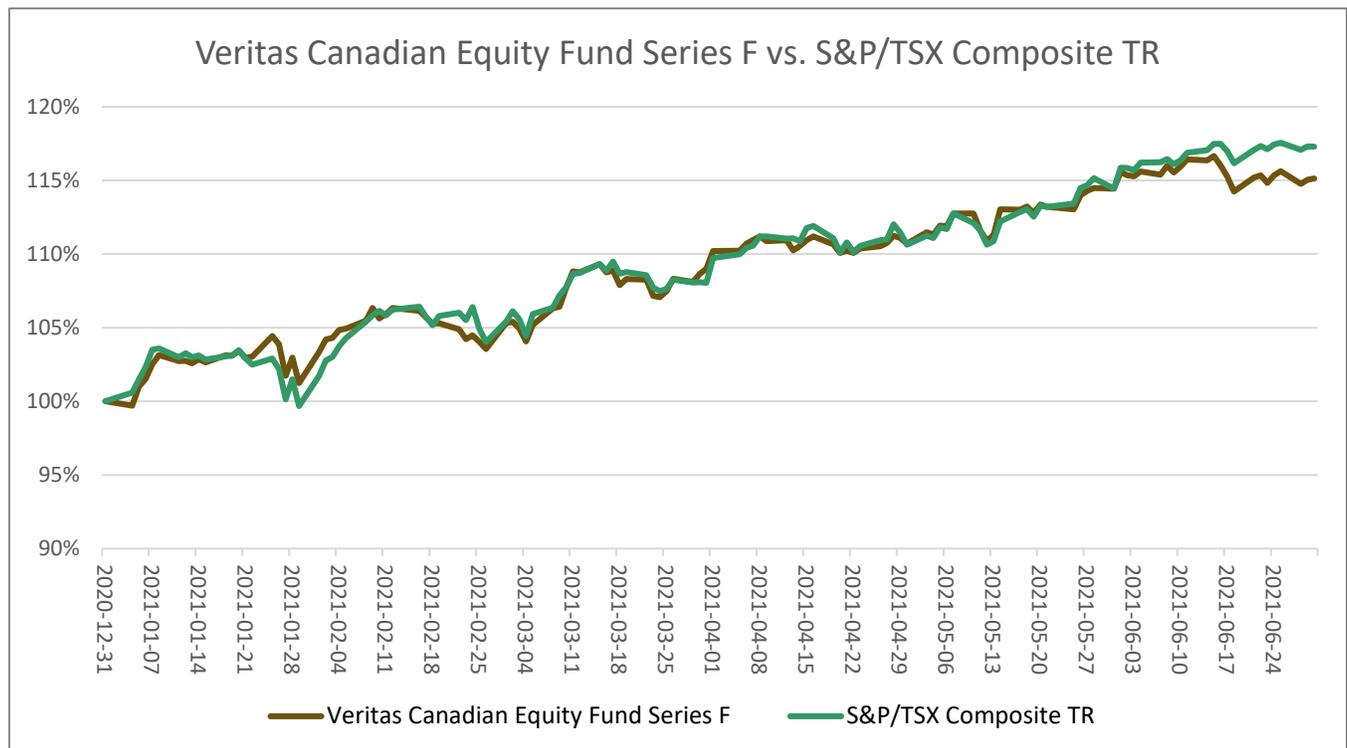
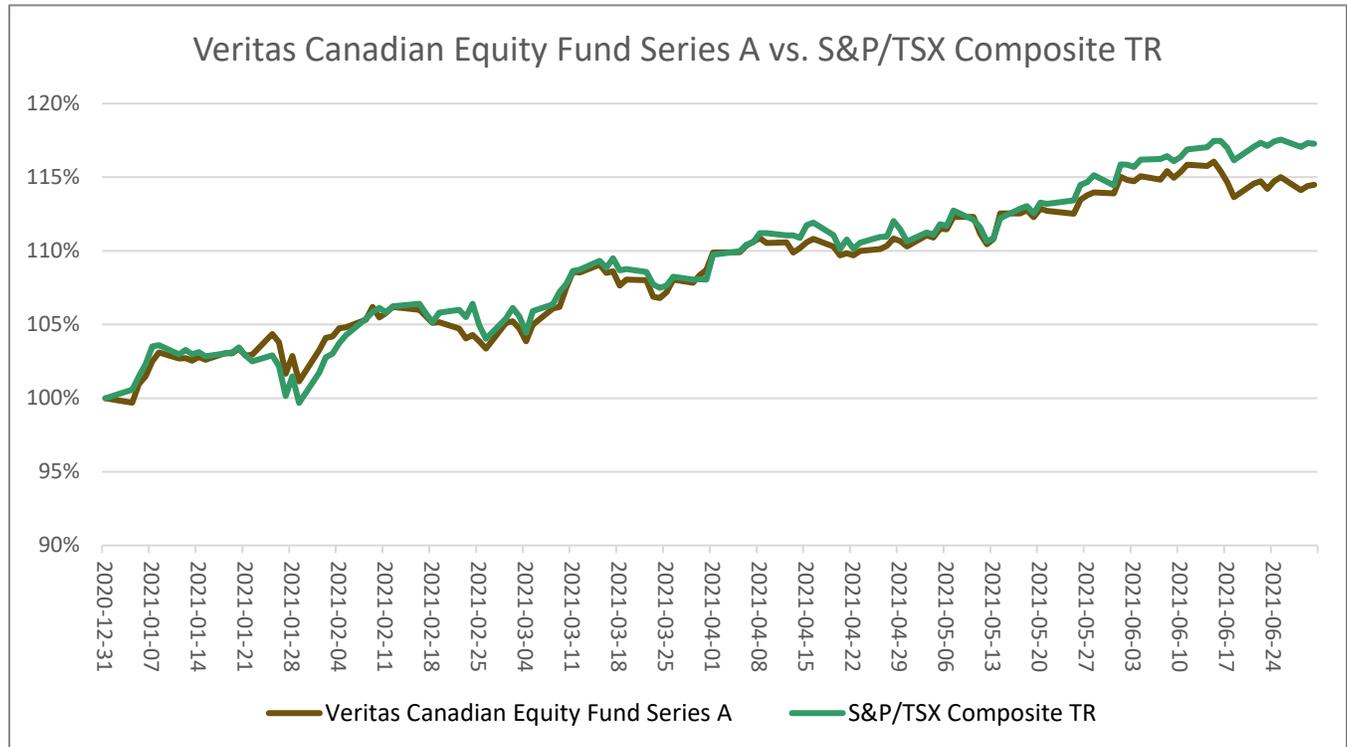
# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the six months ended June 30, 2021

#### 2021 Returns

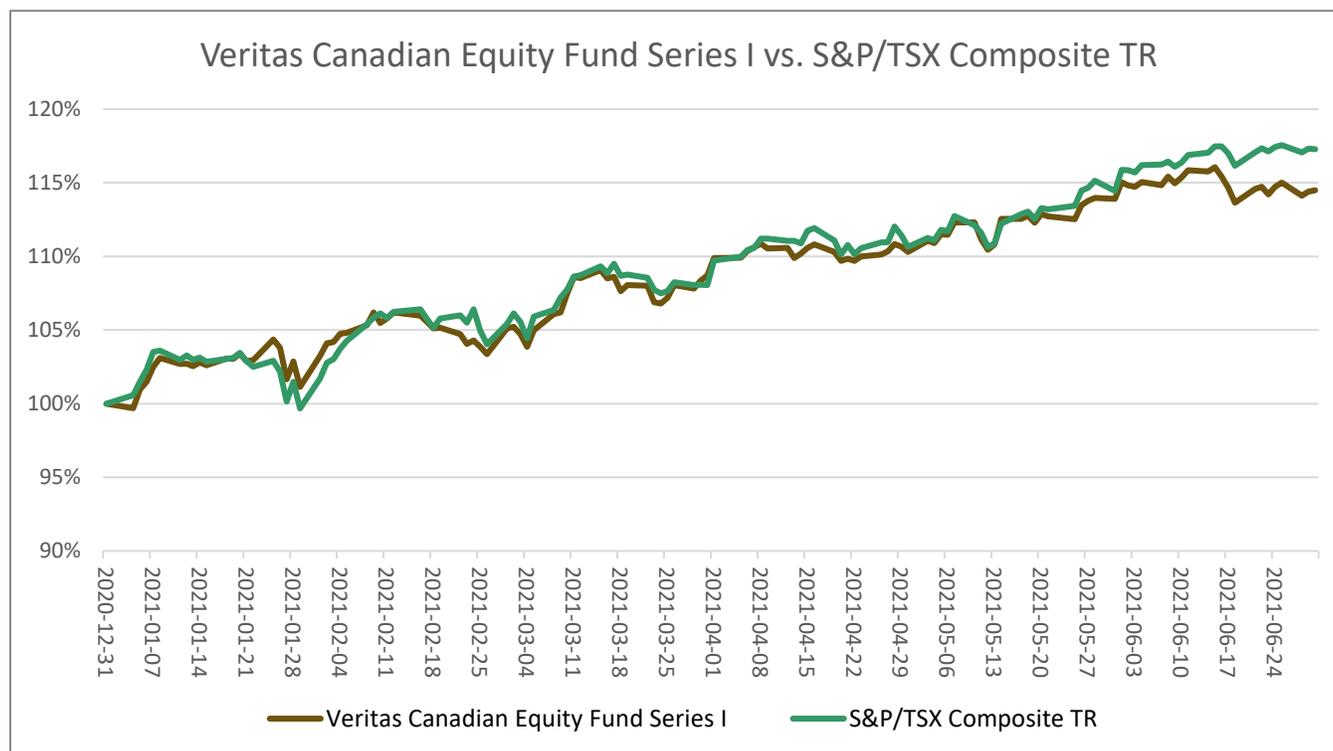
The following line charts show the Fund's performance by class for 2021 versus the benchmark.



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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 231 constituents, is the benchmark Canadian index, representing approximately 77% coverage of TSX and TSX Venture listed companies, as measured by market capitalization.

### Annual Compound Returns

The table below presents performance for the period ended June 30, 2021 and the years ended December 31, 2020 and 2019.

	From January 1, 2021	From January 1, 2020	From January 1, 2019
<b>Fund, Class A</b>	14.5%	7.6%	27.2%
<b>Fund, Class F</b>	15.1%	9.5%	31.7%
<b>Fund, Class I</b>	15.7%	3.6%*	12.7%
<b>INDEX</b>	17.3%	23.9%	52.2%

\*The Class was dormant between April 1, 2020 and August 10, 2020.

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### Management Discussion of Fund Performance for the six months ended June 30, 2021

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, 2021.

<b>Portfolio Composition</b>		<b>Top 25 Holdings</b>	
<b>Sector Allocation</b>	<b>% of Net Asset Value</b>	<b>Issuer</b>	<b>% of Net Asset Value</b>
Communication Services	3.1%	<b>LONG POSITIONS</b>	
Consumer Discretionary	6.9%	The Toronto-Dominion Bank	4.9%
Consumer Staples	12.2%	Manulife Financial Corp.	4.6%
Energy	11.5%	TransAlta Corp.	4.3%
Financials	20.1%	Bank of Montreal	4.2%
Industrials	18.1%	Alimentation Couche Tard	4.2%
Information Technology	3.9%	Capital Power Corp.	4.2%
Materials	5.6%	TFI International Inc.	4.1%
Real Estate	9.0%	George Weston Ltd.	4.0%
Utilities	8.5%	Canadian National Railway Co.	4.0%
		SNC-Lavalin Group Inc.	4.0%
Cash and other net assets	1.1%	Royal Bank of Canada	4.0%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>	Killam Apartment Real Estate Investment Trust	4.0%
		Linamar Corp.	4.0%
<b>Total Net Asset Value</b>	<b>\$ 17,680,619</b>	Air Canada	4.0%
		Canadian Natural Resources Ltd.	3.3%
		Suncor Energy Inc.	3.2%
		RioCan Real Estate Investment Trust	3.0%
		Enbridge Inc.	3.0%
		Ceridian HCM Holding Inc.	2.9%
		National Bank of Canada	2.4%
		NFI Group Inc.	2.1%
		TELUS Corp.	2.0%
		Metro Inc.	2.0%
		Maple Leaf Foods Inc.	2.0%
		Martinrea International Inc.	2.0%
		<b>Total % of Net Asset Value</b>	
		<b>Represented by Holdings</b>	<b>86.4%</b>