



**FUND DETAILS\***

Type	Fee based/ Advisory fee
Fund Code	VAM 201
Total Assets (All series)	\$13.7 million
Category	Canadian Equity
Inception Date	May 1, 2018
MER (%) As at Dec. 31, 2019	2.32
Management Fee	0.95%
Number of Holdings	20
Minimum Investment	\$1,000 initial / \$500 subsequent
Firm AUM	\$30.6 million
Employee AUM <sup>1</sup>	\$2.7 million
Volatility Risk Profile	Medium
Distribution Frequency	Annually if any

**PORTFOLIO OBJECTIVE**

The investment objective of the Veritas Canadian Equity Fund is to provide Unitholders with long term capital growth 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.

**WHY INVEST WITH US?**

- Driven by award winning research
- High-conviction concentrated portfolio
- Low market correlation
- Index and sector-agnostic
- Low turnover portfolio
- Strict risk management optimization process

**THE PORTFOLIO PRIMARILY INVESTS IN**

The Fund will invest primarily in the securities of companies included on the V-List Model Portfolio as prepared by Veritas Investment Research Corporation (VIR).

The V-List was launched by VIR in 2004. The V-List is a concentrated model portfolio of between 12 and 25 companies that comprise VIR's best investment ideas. The fund is systematically optimized to minimize volatility and maximize performance relative to passive investing.

Companies are selected based on their potential for long term capital appreciation, using bottom-up fundamental analysis and a strict review of accounting and disclosure practices to identify companies with defensible competitive advantages and the ability to generate meaningful cash flows.

**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.

**PERFORMANCE<sup>6</sup>**

	YTD	1 MONTH	1 YEAR	SINCE INCEPTION
FUND	-11.6%	4.2%	-4.7%	2.3%
INDEX	-3.3%	4.5%	1.9%	11.3%

RISK MEASURES <sup>2</sup>	1 YEAR	SINCE INCEPTION
Beta <sup>3</sup>	0.68	0.68
Fund Volatility <sup>4</sup>	17.0%	13.3%
Index Volatility	23.5%	18.2%

	TOP TEN HOLDINGS <sup>5</sup>	TICKER	% WEIGHT
1	Can. Natural Res. Ltd.	CNQ	8.01
2	Cogeco Inc.	CCA	7.61
3	Metro Inc.	MRU	7.45
4	Enbridge Inc.	ENB	6.48
5	SPDR Gold Shares	GLD	6.35
6	Manulife Financial Corp.	MFC	6.26
7	Rogers Comm. Inc.	RCI.B	5.98
8	George Weston Ltd.	WN	5.24
9	TransAlta Corp.	TA	4.84
10	Canadian Utilities Ltd.	CU	4.34
	<b>Top 10 weight</b>		<b>62.55</b>



**JULY 2020: RIDING THE WAVE**

The month of July proved profitable for Canadian investors with every sector of the S&P/TSX Composite index generating a positive return. Most prominent was the revival of the beaten down defensive sectors. The materials sector advanced 13.1% followed by consumer staples at 6.3% and Utilities at 6.1%. While the financial and energy sectors, which we are underweight, were the laggards during the month each up 0.8% and 1.1%, respectively. The broad index returned 4.5% for July.

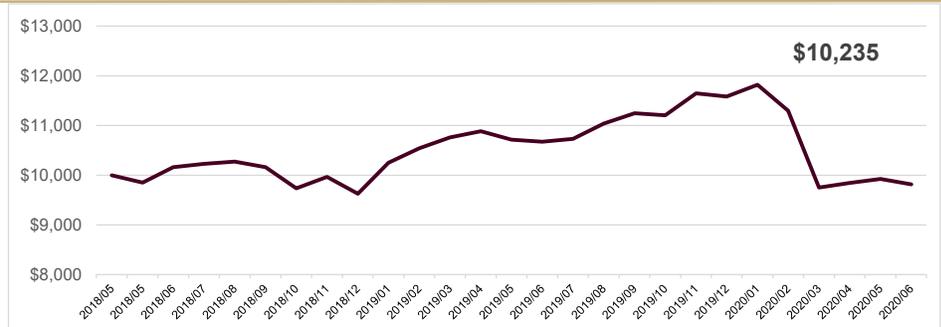
The Fund's position in **GLD** was the top contributor to fund performance for the month of July, as governments around the globe continue to spend and print money to offset the sharp economic decline caused by the COVID pandemic. Precious metals have historically performed well in times of fear and this pandemic has proven no different with GLD up almost 30% YTD.

Granite REIT (**GTR-U**) continues to be a Veritas favourite and was the second-best contributor to the fund in July. Management has proven to be great stewards of shareholder capital as evidenced by timely share repurchases and consistent NOI growth. We continue to like the name as we see upside stemming from positive rent lifts on renewals particularly in their U.S. segment of the portfolio.

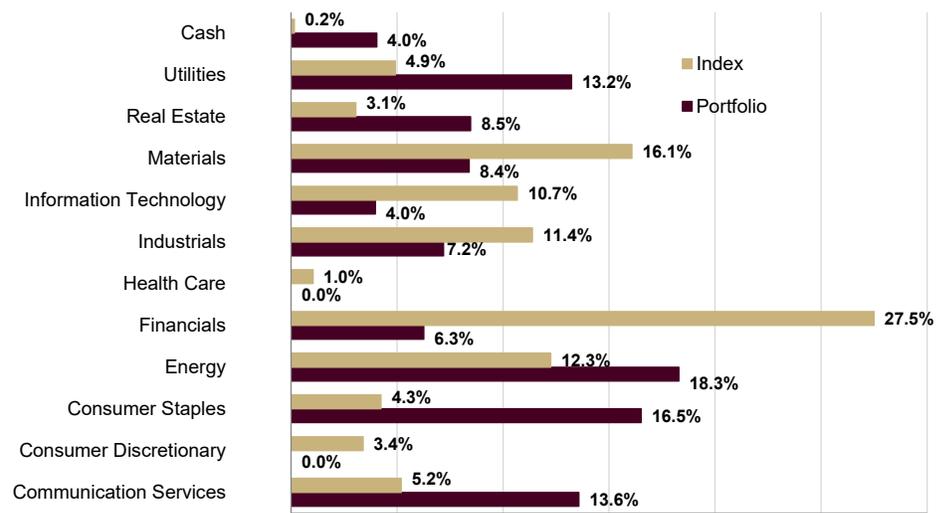
Our goal is to buy companies best positioned to capitalize on their industry's tailwinds at discounts to their intrinsic values and avoid poorly positioned companies in challenged industries. We continue to prefer businesses with strong balance sheets, free cash flow and the ability to endure periods of hardship. We will participate in the government fueled rally but remain cautiously positioned given the uncertainty of the economic recovery.

**PERFORMANCE<sup>7</sup>**

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



**SECTOR ALLOCATIONS<sup>8</sup>**





## 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](http://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 Funds, as of July 31, 2020.
2. Source: Refinitiv, Veritas Asset Management estimates, for period ending July 31, 2020. F Series Inception Date: May 1, 2018. Benchmark is the S&P/TSX Composite Index. 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. Veritas Canadian Equity Fund draws its ideas from constituents in the index, but differs in its weighting of securities.
3. Beta (observed beta)  $\beta_{i,t}$  based on historical relationship between fund return (F) and index (I) performance.  $\beta_{i,t} = \text{Cov}(R_i, R_t) / \text{Var}(R_i)$  where  $R_i$  is the daily index return,  $R_t$  is daily fund return.
4. 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.
5. Source: Bloomberg, for period ending July 31, 2020. Portfolio weights refer to end of day weights of last official reporting period.
6. Source: Refinitiv. F Series Inception Date: May 1, 2018. Past performance is not indicative of future returns. 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. Veritas Canadian Equity Fund draws its ideas from constituents in the index, but differs in its weighting of securities.
7. Source: Refinitiv. Notes: F Series Inception Date: May 1, 2018. Performance as of July 31, 2020.
8. Source: Bloomberg, for period ending July 31, 2020. 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. Veritas Canadian Equity Fund draws its ideas from constituents in the index, but differs in its weighting of securities.

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