



FUND DETAILS

Type	Fee based / Advisory fee
Fund Code	VAM 201
Total Assets (All series)	\$13.2 million
Category	Canadian Equity
Inception Date	May 1, 2018
MER (%) As at Dec. 31, 2019	2.32
Management Fee	0.95%
Number of Holdings	19
Minimum Investment	\$1,000 initial / \$500 subsequent
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

	YTD	1 MONTH	1 YEAR	SINCE INCEPTION *
FUND	-14.3%	0.8%	-7.4%	-0.8%
INDEX	-9.7%	3.0%	-2.1%	3.9%

Source: Bloomberg, S&P/TSX Composite Total Return Index for period ending May 29, 2020.

* F Series Inception Date: May 1, 2018

Volatility risk profile



	1 YEAR	SINCE INCEPTION
Beta	0.68	0.68
Correlation	0.92	0.91

TOP 10 HOLDINGS

	COMPANY	TICKER	% OF PORTFOLIO
1	Cash		14.78
2	Metro Inc.	MRU	9.15
3	George Weston Ltd.	WN	8.08
4	Cogeco Inc.	CCA	7.17
5	Maple Leaf Foods. Inc	MFI	6.36
6	Loblaw Companies Ltd.	L	6.12
7	SPDR Gold Shares	GLD	6.04
8	Granite REIT	GRT-U	4.99
9	iShares S&P/TSX 60 Index ETF	XIU	4.35
10	Canadian Utilities Ltd.	CU	4.31
	Top 10 weight		71.35



MAY 2020: SUSPENDED ANIMATION

2020 has been an extraordinarily volatile ride for investors globally. Central banks have taken unprecedented action to prevent fallout after the fastest +30% decline in history. Trillions of dollars in stimulus has flooded markets resulting in the strongest 50-day rally in history. Companies in a precarious financial position have avoided bankruptcy, while those able to pivot to or facilitate the work-from-home ecosystem have prospered.

Putting the market's recent volatility into historic perspective, illustrates the opportunity for active management, especially in the Canadian market. Consider that if one had purchased the TSX Composite (through the ETF **XIC.TO**) in June 2008 at the peak prior to the financial crisis and sold at the bottom in March 2020, the investor would have experienced a negative price return of 25.5%. Dead money for over a decade. With dividends reinvested, the return becomes 5.9%, a figure that lagged inflation. Therefore, careful sector exposure combined with stock selection creates significant opportunity in the smaller more concentrated Canadian market.

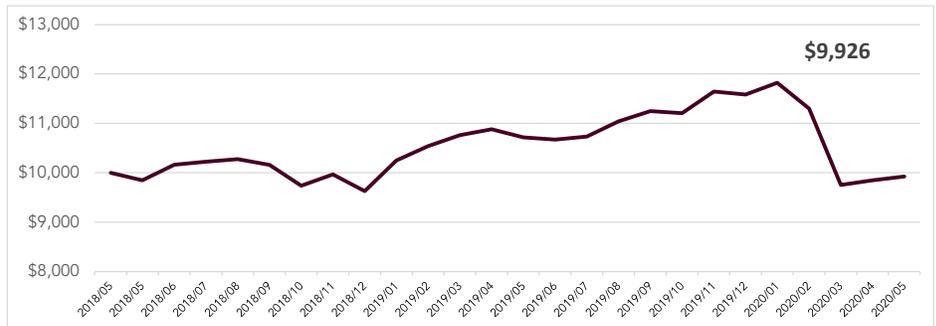
Our goal is to buy companies best positioned to capitalize on their industry's tailwinds at discounts to their intrinsic values. During Q1-2020, the Fund's performance was driven by underweight exposure to consumer discretionary and financial services and overweight exposure to consumer staples in anticipation of a recessionary crisis. Standouts include Loblaw's (L) and Metro (MRU), both of which provided a positive return during the market's decline.

April and May have been markedly different; the TSX composite is up 14.2%, while the consumer discretionary sector has increased over 30% and staples have lagged by 2%. Although the stock prices may have changed materially, we believe the economic backdrop and each company's fundamentals have not. Given the deteriorating household balance sheet, we expect consumer discretionary and financial services companies to remain challenged and face a significant shock when the government fiscal stimulus programs expire in the coming months. Top contributors to Fund performance in May were Waste Connections (WCN) and Granite REIT (GRT-U).

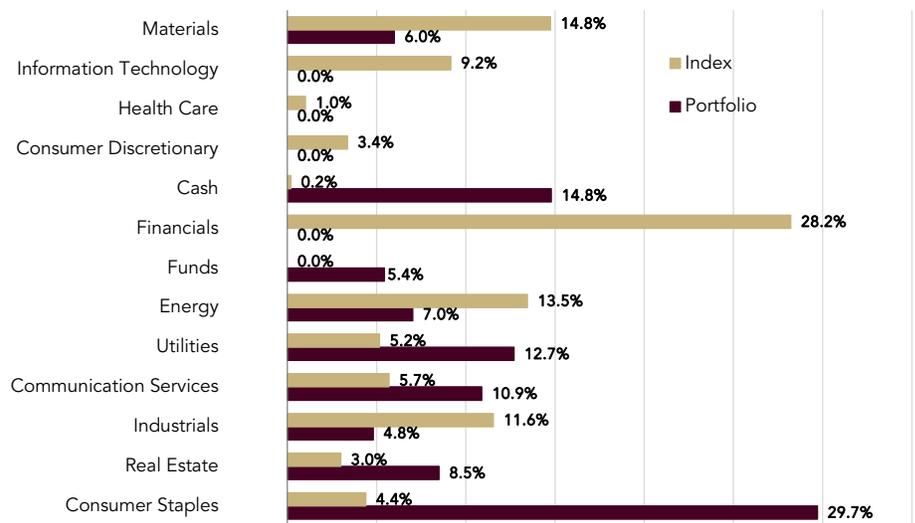
We continue to prefer businesses with strong balance sheets, free cash flow and the ability to endure periods of hardship. We will participate in the government fueled rally but remain cautiously positioned given the uncertainty of the economic recovery.

PERFORMANCE

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



Sector Allocations



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.