

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 period from commencement of operations,
May 1, 2018 to December 31, 2018



VERITAS
ASSET
MANAGEMENT

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Forward-Looking Statements (“FLS”)

The annual Management Report of Fund Performance may contain forward-looking statements. 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 in light of 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 from commencement of operations, May 1, 2018 to December 31, 2018, the investment fund's fiscal 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 Funds' 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 Veritas Canadian Equity Fund (the "**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.

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 Portfolio Advisor will seek to minimize volatility. The Fund will not invest in the securities of non-North American issuers. The Fund may invest up to 10% of its investment portfolio in the securities of U.S. 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 period ended December 31, 2018, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Prospectus.

Results of Operations

During the year ended December 31, 2018, Class A units returned -2.25% and Class F units returned -4.00%. The Fund's benchmark is the S&P/TSX Composite Total Return Index which returned -9.44% since the inception date of the Class F units on May 23rd, 2018. 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 net assets of the Fund Class F units increased by 156% from \$773,000.00 on May 24, 2018, to \$1,976,477.15 on December 31, 2018. This change was composed primarily of net sales of \$1.29 million. The Fund also paid cash distributions totalling \$5,827.32 during the year.

The NAV of the Fund Class F units decreased by 4.00% from \$10.00 on May 24, 2018, to \$9.60 on December 31, 2018, outperforming the benchmark by 5.44%. The benchmark returned -9.44% for the same time period.

The net assets of the Fund Class A units began with an initial contribution of \$29,775.00 on November 06, 2018. The Fund also paid cash distributions totalling \$34.81 during the year.

The NAV of the Fund Class A units decreased by 2.20% from \$10.00 on November 06, 2018, to \$9.78 on December 31, 2018, outperforming the benchmark by 3.56%. The benchmark returned -5.76% for the same time horizon. The Fund's outperformance of the benchmark by 5.44% and 3.56% in the comparative time periods, for each of the Classes F and A, respectively, was due to overweight exposure in the following Canadian sectors: Utilities, REITs,

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and Communication Services; within which the portfolio manager also accomplished superior stock selection.

The S&P/TSX erased its previous three years of gains in 2018. With more than 90% of companies listed on the S&P/TSX finishing down on the year, it was very difficult to actively invest as mandated and yield a positive result. Our strategy was to pursue defensive investments to preserve capital, while also looking to maximize longer term investment performance.

Throughout 2018, the Manager repositioned the Fund into different sectors, increasing its exposure to the Industrials, Materials, REITs, and Communications sectors, while reducing its exposure to the Energy sector. This allocation of funds helped reduce losses while the overall Canadian indices fell further in comparison.

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 as a result of fluctuations in average net assets, portfolio activity, and changes in the Fund's investments.

Recent Developments

As we move into 2019, many investors in the Canadian market are wondering where to look after experiencing such a lacklustre year. In January 2019, the S&P/TSX has ramped back up with healthcare leading the way +25%, mainly due to cannabis producers. The momentum included other sectors such as Info-Tech +13%, Industrials +10%, Energy +10%, and Consumer Discretionary +10%.

While valuations have recovered much of the ground lost in the second half of 2018, we continue to see risks on the horizon and are managing our exposures to maximize returns and avoid some of the value traps we are seeing in the market.

Related Party Transactions

The Manager will receive a monthly management fee calculated as a percentage of the NAV of each applicable class of Units that comprise the Fund 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: 1/12 of 1.95% (1.95% per annum) of the net asset value of Class A units of the Fund on the last business day of the month.
- Class F: 1/12 of 0.95% (0.95% per annum) of the net asset value of Class F units of the Fund on the last business day of the month.

Expense reimbursement

Fund expenses were capped at 1% during the period ended December 31, 2018; the expenses to be reimbursed by the Manager amounted to \$78,114, all of which was receivable as at December 31, 2018.

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Ownership

As at December 31, 2018, parties related to the Manager owned 59,810 Class F units of the Fund.

The following tables show selected key financial information about the Class A, and F units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the period ended December 31, 2018.

The Fund's Net Asset Value (NAV) per Class A Unit (1) (2)	2018
Net asset value, beginning of period	\$10.00
Decrease from operations:	
Total revenue	0.05
Total expenses	(0.05)
Realized losses for the period	(0.10)
Unrealized losses for the period	(0.11)
Total decrease from operations (3)	\$ (0.21)
Distributions:	
From income (excluding dividends)	-
From dividends	(0.01)
From capital gains	-
Return of capital	-
Total annual distributions (3) (4)	\$ (0.01)
Net asset value, end of period (3)	\$ 9.78
Ratios and Supplemental Data	
Total net asset value (5)	\$ 29,141
Number of units outstanding (5)	2,981
Management expense ratio (6)	0.65%
Management expense ratio before waivers or absorptions	1.58%
Trading expense ratio (7)	0.04%
Portfolio turnover rate (8)	36.35%
Net asset value per unit	\$9.78

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The Fund's Net Asset Value (NAV) per Class F Unit (1) (2)	
Net asset value, beginning of period	\$10.00
Decrease from operations:	
Total revenue	0.17
Total expenses	(0.13)
Realized losses for the period	(0.13)
Unrealized losses for the period	(0.40)
Total decrease from operations (3)	\$(0.49)
Distributions:	
From income (excluding dividends)	-
From dividends	(0.03)
From capital gains	-
Return of capital	-
Total annual distributions (3) (4)	(0.03)
Net asset value, end of period (3)	\$9.60
Ratios and Supplemental Data	
Total net asset value (5)	\$1,981,492
Number of units outstanding (5)	206,396
Management expense ratio (6)	1.26%
Management expense ratio before waivers or absorptions	5.73%
Trading expense ratio (7)	0.04%
Portfolio turnover rate (8)	36.35%
Net asset value per unit	\$9.60

Notes:

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

The following 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, redemption, distribution 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.

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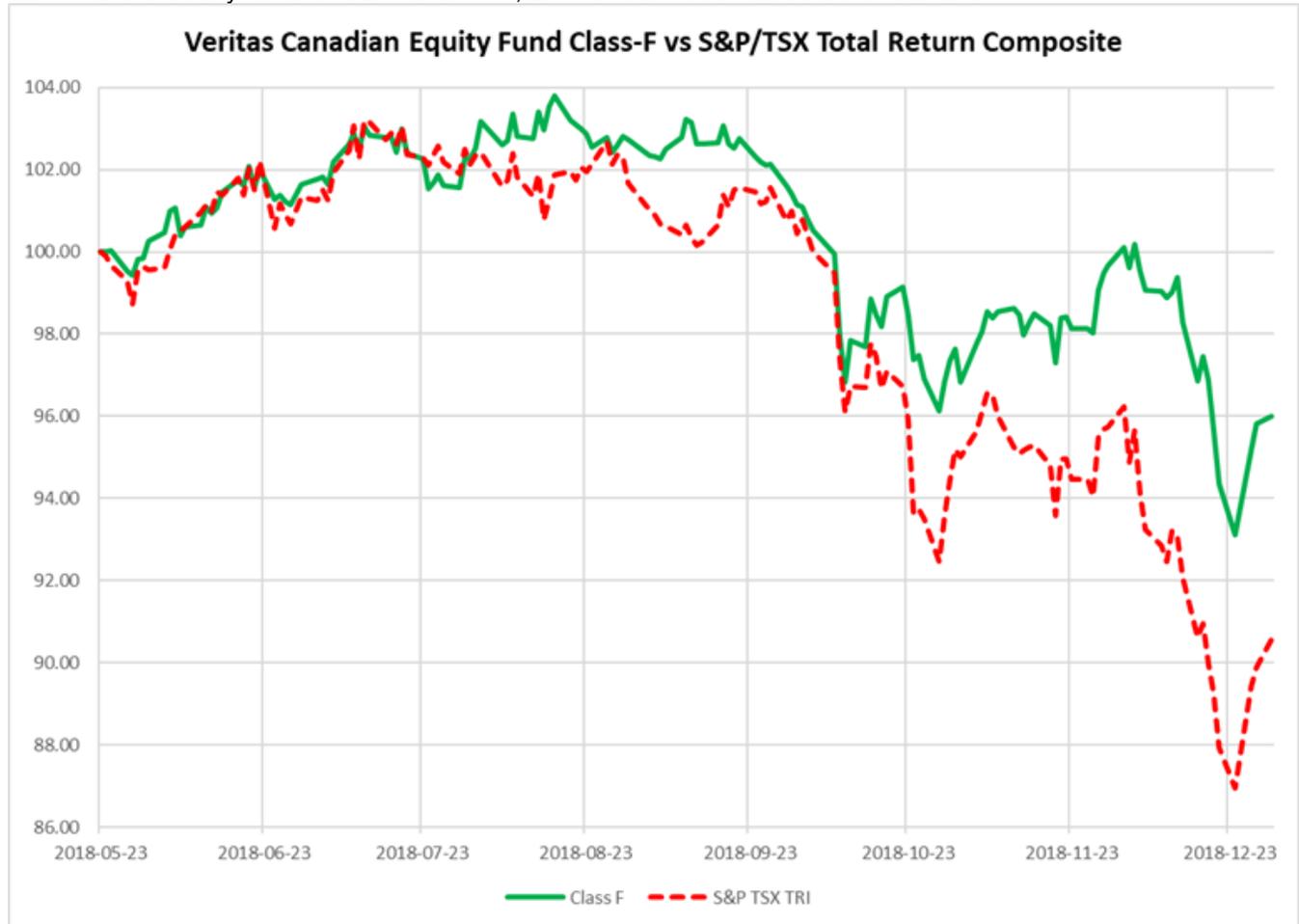
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Year-by-Year Returns

The following bar charts show the Fund's annual performance. The bar chart shows, in percentage terms, how much an investment in Class A, and F units, respectively, made on the first day of each financial year, would have grown or decreased by the last day of the financial year.

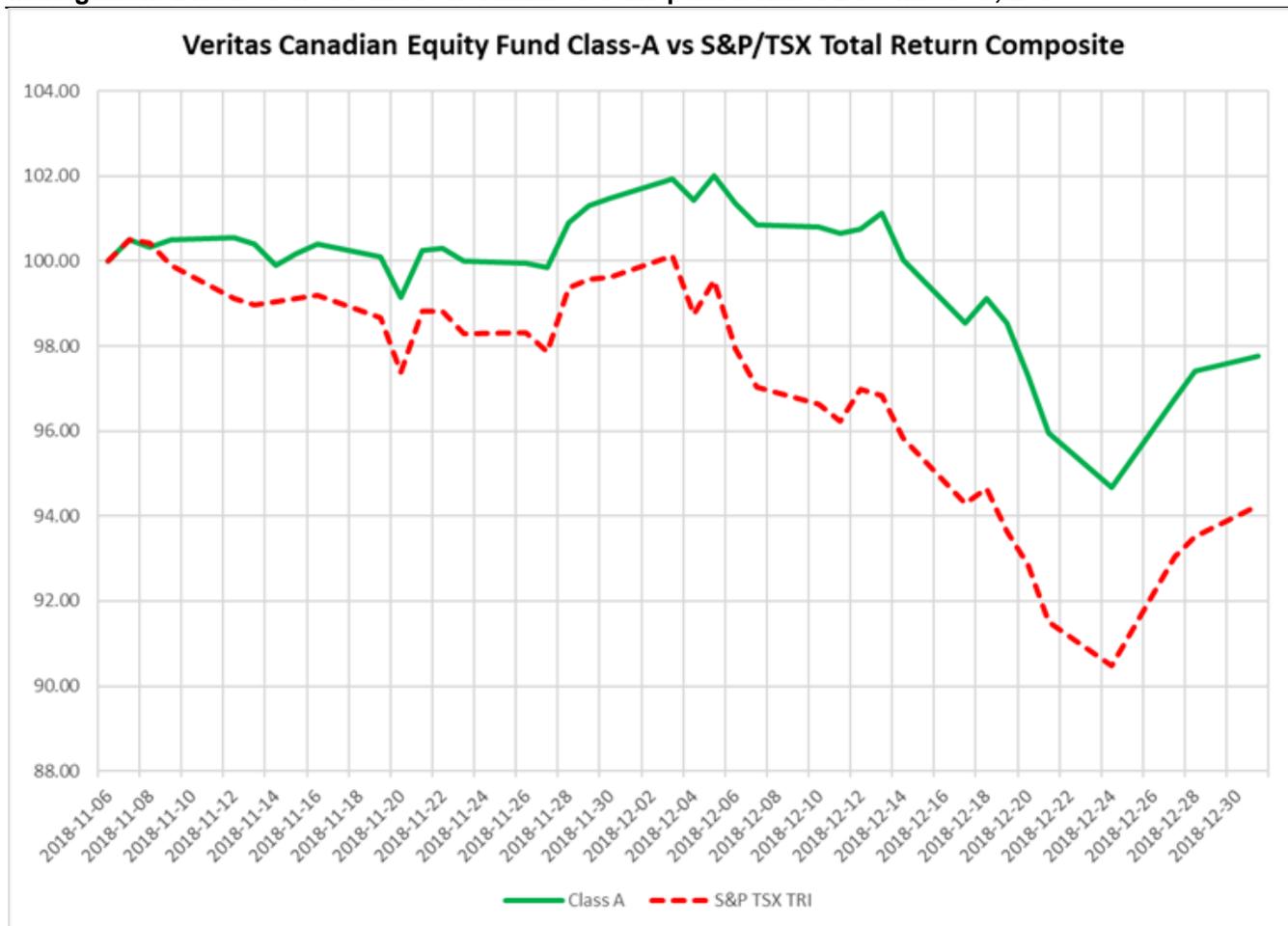
The returns for the year ended December 31, 2018 in Classes F and A are as follows:



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Benchmark(s) Information

The benchmark of the fund is the S&P/TSX Composite Total Return Index. The S&P/TSX is the benchmark Canadian index, representing approximately 95% coverage of the Canadian equities market (239 companies) and 70% of the total **market capitalization** on the Toronto Stock Exchange (TSX).

Annual Compound Returns

The fund was in its first year of operation in the second fiscal quarter of 2018 and therefore does not have a fully annualized return. A 12-month performance will be able available after May 1st, 2019.

	Since Inception[†]
Fund, Class A	-2.25%
Fund, Class F	-4.00%
INDEX (May 23)	-9.44%

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The following table shows 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, 2018.

Portfolio Composition		Top 25 Holdings	
Sector Allocation	% of Net Asset Value	Issuer	% of Net Asset Value
Consumer Staples	14.80%	Cash & Cash Equivalents.	11.00%
Utilities	14.60%	Hydro One Ltd	7.35%
Real Estate	14.20%	Granite Real Estate Investment Trust	7.15%
Telecommunications Services	11.30%	Allied Properties Real Estate Investment Trust	7.05%
Energy	9.90%	Metro Inc.	6.83%
Industrial	9.90%	Shaw Communications Inc.	6.76%
Technology	6.00%	George Weston Ltd	6.72%
Financials	5.40%	Sun Life Financial Inc.	5.41%
Cash at broker	11.00%	Waste Connections Inc.	5.04%
Other assets and liabilities	2.90%	Canadian Pacific Railway Ltd	4.82%
Total Portfolio Allocation	100.00%	Quebecor Inc.	4.57%
		Capital Power Corp.	3.97%
		TransAlta Corp.	3.50%
		CGI Group Inc.	3.32%
		Open Text Corp.	2.66%
		Enbridge Inc.	2.53%
		Enerplus Corp.	2.48%
		Canadian Natural Resources Ltd	2.46%
		Husky Energy Inc.	2.39%
		Premium Brands Holdings Corp.	1.12%
Total Net Asset Value	\$2,010,633	Total Percentage of Net Asset Value Represented by Holdings	97.13%

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.

As at December 31, 2018, the Fund has less than 25 holdings, therefore, all the holdings are presented here.

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.