



**FUND DETAILS\***

Type	Fee based/ Advisory fee
Fund Code	VAM 201
Total Assets (All classes)	\$14.0 million
Category	Canadian Equity
Inception Date	May 1, 2018
MER (unaudited) <sup>1</sup> As at June 30, 2020	2.18%
Management Fee	0.95%
Number of Holdings	20
Minimum Investment	\$1,000 initial / \$500 subsequent
Firm AUM	\$31.5 million
Employee AUM <sup>2</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>7</sup>**

	YTD	1 MONTH	1 YEAR	SINCE INCEPTION
FUND	-13.8%	-1.3%	-11.2%	-0.2%
INDEX	-3.1%	-2.1%	0.0%	11.5%

RISK MEASURES <sup>3</sup>	1 YEAR	SINCE INCEPTION
Beta <sup>4</sup>	0.61	0.62
Fund Volatility <sup>5</sup>	16.4%	12.6%
Index Volatility	23.7%	17.5%

	TOP TEN HOLDINGS <sup>6</sup>	TICKER	% WEIGHT
1	TransAlta Corp.	TA	7.79
2	Metro Inc.	MRU	6.62
3	Killam Apartment REIT	KMP.UN	6.47
4	Cogeco Inc.	CCA	6.46
5	Enbridge Inc.	ENB	6.01
6	George Weston Ltd.	WN	5.86
7	CGI Inc.	GIB.A	5.48
8	Manulife Financial Corp.	MFC	5.46
9	Capital Power Corp.	CPX	5.45
10	Rogers Comm. Inc.	RCI.B	5.25
	<b>Top 10 weight</b>		<b>60.85</b>



**SIMPLE, BUT NOT EASY**

September broke a five month positive streak for the S&P/TSX Composite, with the TR index posting a return of -2.1%. Energy and Healthcare were the worst performing sectors posting declines of 11.0% and 8.5%, respectively. In contrast, our fund was overweight two of the top sectors, Consumer Staples, which rose 7.7% and Utilities, up 6.4%. The Class F of the Veritas Canadian Equity Fund outperformed the index by 0.77% during September.

The Fund's position in **Cogeco Communications Inc. (CCA)** was the top contributor to fund performance for the month of September as **Rogers Communications Inc. (RCI.B)** and **Altice USA Inc. (ATUS:US)** jointly made an unsolicited takeover bid for the company, which was quickly rejected by controlling shareholders, led by the Audet family. Whether or not the courtship reaches an agreement, we remain positive on **CCA's** business prospects, particularly its U.S. assets.

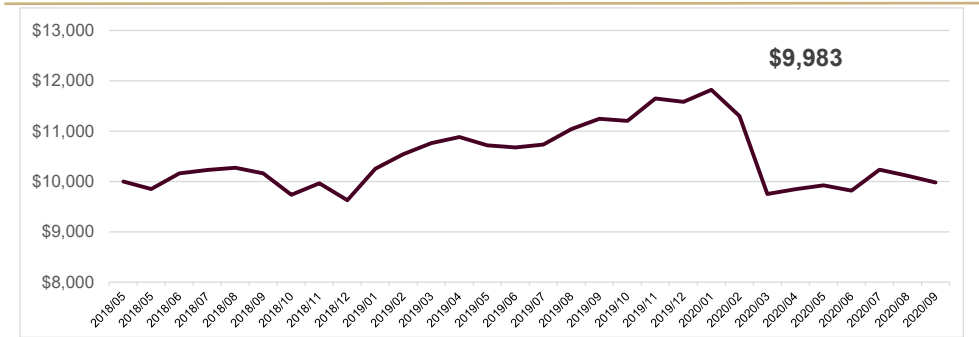
The Fund's position in **Metro Inc. (MRU)** was the second best contributor to performance for the month of September, having benefitted from increased grocery demand as Canadians substituted dine-in options for restaurant meals and spent more time at home for both work and leisure. In addition, **MRU** benefitted because September was a risk-off month, with investors preferring defensive names over higher beta constituents in the index.

Our goal is to buy the best companies in sectors where we identify positive investment catalysts, while avoiding poorly positioned companies and industry headwinds in sectors where we identify investment risks. We evaluate companies based on balance sheet strength, free cash flow sustainability and the ability to endure periods of economic weakness.

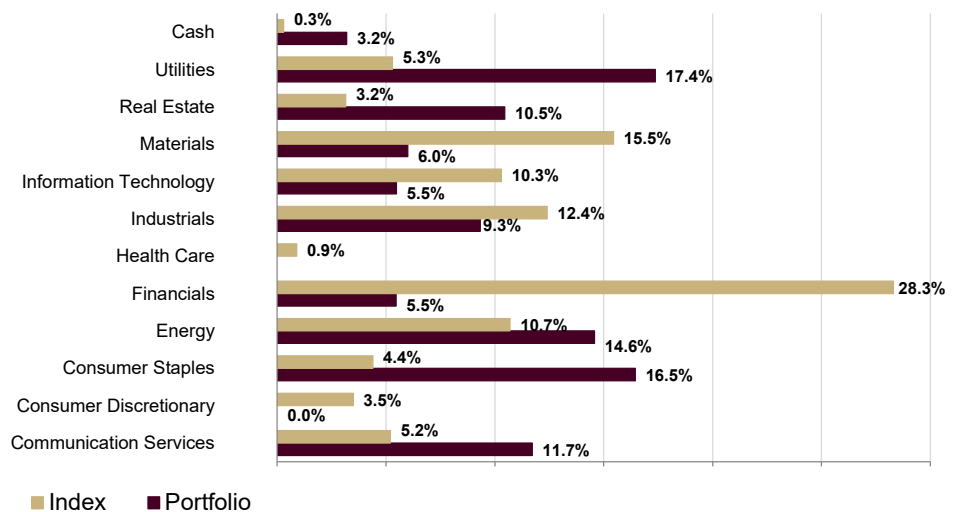
Recognizing that record government spending has clearly propped up economic activity in the short term, we note that the outlook for a more sustainable economic recovery remains uncertain and particularly dependent on new treatments for COVID. In the meantime, we nonetheless see continued opportunities to deliver positive risk-adjusted returns for our investors.

**PERFORMANCE<sup>8</sup>**

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



**SECTOR ALLOCATIONS<sup>9</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 Class 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. Audited MER for Veritas Canadian Equity Fund Class F as at Dec. 31, 2019 is 2.32%.
2. Employee AUM includes all parties related to the Manager in all series or classes of all Veritas Asset Management Inc. Funds, as at September 30, 2020.
3. Source: Refinitiv, Veritas Asset Management Inc. estimates, for period ending September 30, 2020. Class F 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.
4. 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.
5. 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.
6. Source: Refinitiv & Veritas Asset Management Inc. estimates. Portfolio weights refer to end of day weights for period ending September 30, 2020.
7. Source: Refinitiv. Class F Inception Date: May 1, 2018. Portfolio weights refer to end of day weights for period ending September 30, 2020. 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. Veritas Canadian Equity Fund draws its ideas from constituents in the index, but differs in its weighting of securities.
8. Source: Refinitiv. Class F Inception Date: May 1, 2018. Performance as of September 30, 2020. Past performance is not indicative of future performance.
9. Source: Refinitiv & Veritas Asset Management Inc. estimates. Portfolio weights refer to end of day weights for period ending September 30, 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.

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

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