



## FUND DETAILS\*

Type	Fee based/ Advisory Fee
Fund Code	VAM 301
Total Assets (All series)	\$17.0 million
Category	Alternative Mutual Fund
Inception Date	October 1, 2019
MER (unaudited) <sup>1</sup> As at June 30, 2020	1.59%
Management Fee	1.5%
Total Number of Holdings	56
Total Long Positions	42
Total Short Positions	14
Minimum Investment	\$5,000 initial / \$500 subsequent
Firm AUM	\$31.2 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 Fund is to achieve attractive risk adjusted rates of return that deliver long-term capital appreciation to unitholders.

The Fund will invest primarily in the securities of publicly traded Canadian companies that the Portfolio Manager identifies as mispriced. Long and short positions will be determined primarily based (in part) on recommendations provided by Veritas Investment Research Corporation (an affiliate of the Portfolio Manager). The Portfolio Manager may also invest in securities that are not formally covered by Veritas Investment Research Corporation.

## WHY INVEST WITH US?

- The Fund manages risks with the aim of preserving capital in down markets and achieving consistent returns.
- The Fund's long-short capability targets lower volatility than equities, less correlation to traditional asset classes, and greater downside protection.
- The Fund pursues an active investment discipline using forensic-accounting based research.
- Fundamental analysis is paired with systematic stock selection to generate alpha.
- Suitable for investors with a medium risk profile.
- Weekly liquidity.
- No performance fees.

## 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

Mutual Fund regulations restrict the presentation of performance figures until a Fund reaches its one-year anniversary.

	TOP TEN HOLDINGS <sup>3</sup>	TICKER	LONG/ SHORT
1	Crombie REIT	CRR-U	LONG
2	Granite REIT	GRT-U	LONG
3	Capital Power Corp.	CPX	LONG
4	Telus Corporation	T	LONG
5	Canadian Utilities Ltd.	CU	LONG
6	Loblaw Companies Ltd.	L	LONG
7	Maple Leaf Foods Inc.	MFI	LONG
8	Metro Inc.	MRU	LONG
9	SPDR Gold Shares	GLD	LONG
10	Quebecor Inc.	QBR.B	LONG



**AUGUST 2020: WHERE IS WILE E. COYOTE?**

August was another strong month as Q2 results came in largely ahead of much lowered consensus estimates. Is it the calm before the storm? Or is the market still in Suspended Animation? The key will be whether Q3 results can match expectations that have been ratcheted much higher.

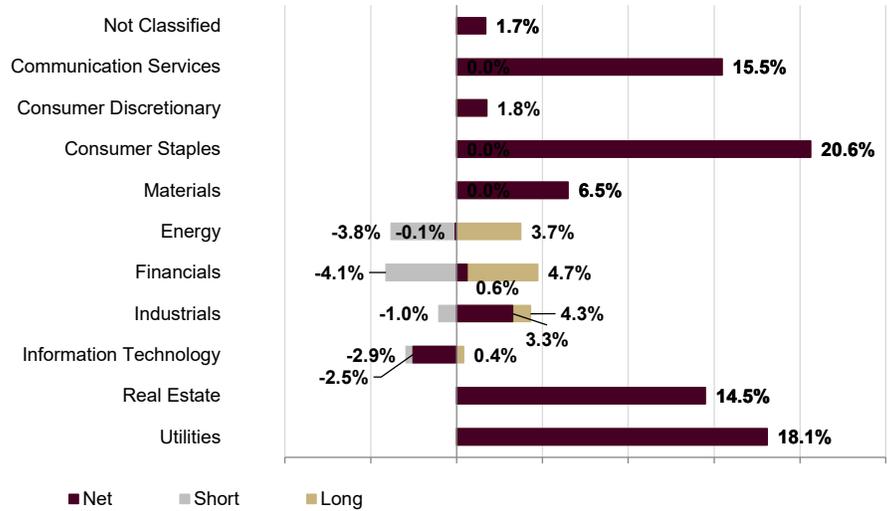
Financials and Industrials, which we are underweight led the way with returns of 6.9% and 4.3%, respectively. While healthcare returned -7.4% and consumer staples, which we are overweight, declined by 4.7%. Financials reported Q2 results that generally came in ahead of expectations and signs of improving economic activity drove Industrials higher. It remains to be seen what the impact of the end of the mortgage deferrals and other government assistance programs will have on the underlying economy here in Canada.

The Fund's long position in TC Energy Corporation (TRP) was the top contributor to performance for the month. The company benefitted from increased demand for its various pipeline capacities, in addition to a general improvement in investor sentiment that energy will continue to be in demand and necessary for the foreseeable future, as many prepare for what could be a very cold Canadian winter.

The Fund's long position in Quebecor (QBR.B) was the second best contributor to Fund performance in August as investors appreciated the company's growth in subscribers and EBITDA despite being in the middle of the COVID-19 pandemic, at a time where other major providers are struggling.

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. The fund will take strategic short positions in poorly positioned companies in challenged industries. We will participate in the government fueled rally but remain cautiously positioned given the uncertainty of the economic recovery. The fund was long \$1.00 for every \$0.12 short, net exposure was 89% at month end.

**SECTOR ALLOCATIONS<sup>4</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. 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. Audited MER for Series F as at Dec. 31, 2019 is 2.01%.
2. Employee AUM includes all parties related to the Manager in all series or classes of all Veritas Funds, as of August 31, 2020.
3. Source: Bloomberg, for period ending July 31, 2020. Portfolio weights refer to end of day weights of last official reporting period.
4. Source: Bloomberg, for period ending August 31, 2020.

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