



FUND DETAILS*	
Type	Fee based/ Advisory Fee
Fund Code	VAM 301
Total Assets (All series)	\$15.9 million
Category	Alternative Mutual Fund
Inception Date	October 1, 2019
MER (%) As at Dec. 31, 2019	2.01
Management Fee	1.5%
Total Number of Holdings	55
Total Long Positions	27
Total Short Positions	28
Minimum Investment	\$5,000 initial / \$500 subsequent
Firm AUM	\$29.2 million
Employee AUM ¹	\$2.4 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 ²	TICKER	LONG/ SHORT
1	SPDR Gold Shares	GLD	LONG
2	Granite REIT	GRT-U	LONG
3	Waste Connections Inc.	WCN	LONG
4	Canadian Utilities Ltd.	CU	LONG
5	Hydro One Ltd.	H	LONG
6	Capital Power Corp.	CPX	LONG
7	Metro Inc.	MRU	LONG
8	Empire Company Ltd.	EMP.A	LONG
9	Loblaw Companies Ltd.	L	LONG
10	Quebecor Inc.	QBR.B	LONG



JUNE 2020: DON'T LOOK DOWN

Putting the market's year-to-date performance into historic perspective illustrates just how volatile the start to 2020 has been in Canadian markets. While the first quarter of 2020 saw a decline of 20.9% making it the S&P/TSX Composite's third-worst quarter over the period from 1956 to present, the second quarter of 2020 saw the seventh-best performance recorded over the same time frame with a return of 17.0%. Overall, the first half of 2020 saw the S&P/TSX Composite decline by 7.5%, with Financials and Energy sectors contributing -5.7% and -5.2%, respectively. In fact, the only two positive sectors were Materials and Technology, contributing +2.4% and +4.0% respectively. Of the +4.0% Technology contributed, Shopify Inc. (**SHOP**) accounted for 3.8%.

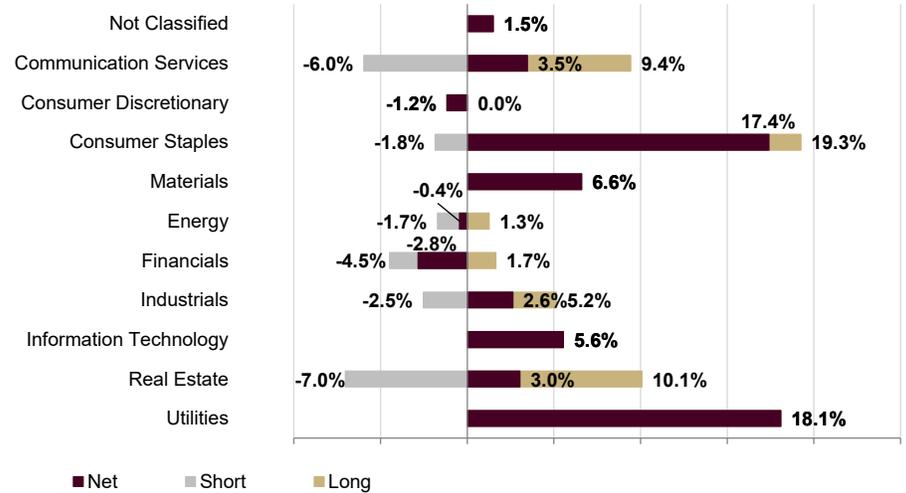
Our goal is to buy companies best positioned to capitalize on their industry's tailwinds at discounts to their intrinsic values and short poorly positioned companies in challenged industries. During H1-2020, our performance was driven by a net short position in the consumer discretionary sector in anticipation of a recessionary crisis. Most noteworthy short contributors to Fund performance included MTY Food Group (**MTY**), Husky Energy (**HSE**) and Brookfield Property Partners (**BPY.UN**), which severely underperformed their benchmark.

April, May and June have been markedly different than Q1. Many stocks that were down most through Q1, surged most through Q2 as investors have shown a willingness to ignore current economic pressures and dire earnings forecasts. Central bank deficits for 2020 as a percentage of GDP are expected to be significantly higher than in any one year during the Great Depression of the 1930's. We are concerned that investors are chasing the recovery believing that 2021 earnings will return to 2019 levels are behaving like the Looney Tunes' famous Wile E. Coyote who was held in Suspended Animation when he chased the Road Runner over the cliff...until he looked down.

Although stock prices may have changed materially, we believe the economic backdrop and each company's fundamentals have not. Given deteriorating household and corporate balance sheets, we expect consumer discretionary and financial services companies to remain challenged and face a significant shock when the government stimulus programs expire in the coming months. Top contributors to Fund performance in June were Granite REIT (**GRT.UN**) and Capital Power Corp. (**CPX**). The fund was long \$1.00 for every \$0.32 short, net exposure in June was 76%.

We continue to prefer businesses with strong balance sheets, free cash flow and the ability to endure periods of hardship. Although we have increased our long exposure, we remain cautiously positioned given the uncertainty of the current economic recovery. Our goal is to provide a positive absolute return over the medium and long term with lower overall risk than broad equity markets.

SECTOR ALLOCATIONS³



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. Employee AUM includes all parties related to the Manager in all series or classes of all Veritas Funds, as of June 30, 2020.
2. Source: Bloomberg, for period ending June 30, 2020. Portfolio weights refer to end of day weights of last official reporting period.
3. Source: Bloomberg, for period ending June 30, 2020.

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