



# 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 year ended December 31, 2024



**VERITAS**  
Asset Management

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

**Management Discussion of Fund Performance for the year ended December 31, 2024**

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### **Forward-Looking Statements (“FLS”)**

The annual Management Report of Fund Performance may contain forward-looking statements (“FLS”). 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 considering 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.

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024

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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 for year ended December 31, 2024, the investment fund's annual period 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 Fund's 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 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 Manager based (in part) on the recommendations of Veritas Investment Research using fundamental analysis utilizing forensic accounting-based principals. In constructing the investment portfolio of the Fund, the Portfolio Manager will seek to minimize volatility and may use options to reduce downside risk. The Fund may invest up to 30% of its investment portfolio in the securities of U.S. issuers but will not invest in the securities of non-North American 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 year ended December 31, 2024, the Fund met its risk objectives and maintained its risk level within the operating parameters set out in the Prospectus. The overall level of Fund risk and investor risk tolerance remain as stated in the Prospectus.

#### Results of Operations

For the year ended December 31, 2024, Class A units posted a total return of 22.26%, Class F units 23.63% and Class I units 24.95%. The Fund's returns for each of its Classes exceeded its benchmark of the S&P/TSX Composite Total Return Index ("S&P/TSX TR"), which returned 21.65% for the year. 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 Fund's significant outperformance relative to the S&P/TSX Composite was primarily due to targeted stock selection. Three sectors outperformed the S&P/TSX index in 2024: Information Technology (+37.96% sub-index return), Financials (+30.10%), and Energy (+23.84%). During the year, The Fund remained underweight Financials and Information Technology while carrying roughly an equal weight in Energy.

For the year ended December 31, 2024, the Fund's Assets Under Management (AUM) increased to \$39.55 million from \$30.95 million on December 31, 2023, due to fund returns and net subscriptions.

The net assets of the Fund Class A units increased by 15.52% from \$2.95 million on December 31, 2023 to \$3.40 million on December 31, 2024. The change was due to fund returns and net redemptions.

The net assets of the Fund Class F units increased by 29.39% from \$25.25 million on December 31, 2023 to \$32.67 million on December 31, 2024. The change was due to fund returns and net subscriptions.

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024

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The net assets of the Fund Class I units increased by 26.21% from \$2.75 million on December 31, 2023 to \$3.47 million on December 31, 2024. This change was the result of fund returns and net subscriptions.

The NAV per unit of the Fund's Class A units increased by 15.81% from \$12.97 on December 31, 2023 to \$15.02 on December 31, 2024. The NAV per unit of the Fund's Class F units increased by 16.30% from \$13.19 on December 31, 2023 to \$15.34 on December 31, 2024. The NAV per unit of the Fund's Class I units increased by 16.51% from \$12.84 on December 31, 2023 to \$14.96 on December 31, 2024.

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

#### Recent Developments

North American equities posted strong gains in 2024, with the S&P/TSX TR index returning 21.65%. Returns for all classes of the Fund exceeded the benchmark this year.

The Fund's biggest contributors to performance this year included: Aritzia Inc.; Bombardier Inc.; Agnico Eagle Mines Ltd.; Manulife Financial Corp. and Canadian Western Bank.

As we look ahead in 2025, we see a likely pickup in volatility as the new U.S. presidential administration challenges global trade arrangements and attempts to address growing fiscal pressures. In our view, deepening U.S. deficits threaten to reignite inflation, increasing bond yields and pressuring equity valuations.

U.S. equity valuations are high by historical standards; however, they are underpinned by rising long-term growth expectations, including for market weighted earnings growth of more than 23% in 2025. Canadian valuations are cheaper relative to earnings but carry lower growth expectations. Earnings in the Energy and Materials sectors are expected to grow at 20% in 2025, while earnings in other sectors are expected to average less than 10% growth for the year.

As a result, we see greater risk of earnings disappointments in U.S. equities. With S&P/TSX names at lower valuations overall, we see targeted opportunities to achieve both earnings growth and potential multiple expansion. In addition to these investments, we continue to adjust our sector allocations to reduce potential market risks.

#### Related Party Transactions

The Manager receives a management fee calculated daily as a percentage of the net asset value of each applicable class of Units that comprise the Fund and payable 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 HST. The management fee for each of the applicable class of Units is as follows:

- Class A: 1.95% per annum of the net asset value of Class A units of the Fund calculated daily and payable on the last business day of the month.
- Class F: 0.95% per annum of the net asset value of Class F units of the Fund calculated daily and payable on the last business day of the month.
- Class I: Negotiated by the investor and paid directly by the investor. The management fee rate will not exceed the management fee payable on Class F units of the Fund.

#### Expense Reimbursement

Expense reimbursement by the Manager during the year ended December 31, 2024 amounted to \$448 (2023: \$3,801), out of which \$nil was receivable as of December 31, 2024 (2023: \$nil).

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024

#### Ownership

As of December 31, 2024, 257,114 units (2023: 216,545) of Class F were owned by parties related to the Manager.

The following tables show selected key financial information about the Class A, Class F and I units of the Fund, respectively, and are intended to help explain the Fund's financial performance for the years ended December 31, 2024, 2023, 2022, 2021 and 2020. The 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, redemptions, distributions 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.

<b>The Fund's Net Asset Value (NAV) per Class A Unit (1)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net asset value, beginning of year</b>	<b>\$12.97</b>	<b>\$12.71</b>	<b>\$13.00</b>	<b>\$10.78</b>	<b>\$11.46</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.46	0.83	0.38	0.32	0.28
Total expenses	(0.45)	(0.41)	(0.39)	(0.39)	(0.33)
Realized gains (losses) for the year	1.50	0.41	0.11	1.73	(1.19)
Unrealized gains (losses) for the year	1.36	(0.01)	(0.38)	0.60	0.43
<b>Total increase (decrease) from operations (2)</b>	<b>\$2.87</b>	<b>\$0.82</b>	<b>\$(0.28)</b>	<b>\$2.26</b>	<b>\$(0.81)</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	(0.01)	-	-
From capital gains	(0.82)	(0.55)	(0.01)	(0.20)	-
Return of capital	-	-	-	-	-
<b>Total distributions (2) (3)</b>	<b>\$(0.82)</b>	<b>\$(0.55)</b>	<b>\$(0.02)</b>	<b>\$(0.20)</b>	<b>\$-</b>
<b>Net asset value, end of year (2)</b>	<b>\$15.02</b>	<b>\$12.97</b>	<b>\$12.71</b>	<b>\$13.00</b>	<b>\$10.78</b>
<b>Ratios and Supplemental Data</b>					
Total net asset value (4)	\$3,404,350	\$2,946,995	\$2,821,871	\$2,283,810	\$1,023,242
Number of units outstanding (4)	226,628	227,215	222,080	175,699	94,933
Management expense ratio (5)	3.10%	3.14%	3.09%	3.19%	3.25%
Management expense ratio before waivers or absorptions	3.10%	3.16%	3.12%	3.51%	4.00%
Trading expense ratio (6)	0.03%	0.10%	0.09%	0.17%	0.10%
Portfolio turnover rate (7)	112.25%	263.11%	183.43%	262.00%	251.95%
<b>Net asset value per unit</b>	<b>\$15.02</b>	<b>\$12.97</b>	<b>\$12.71</b>	<b>\$13.00</b>	<b>\$10.78</b>

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance for the year ended December 31, 2024

<b>The Fund's Net Asset Value (NAV) per Class F Unit (1)</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Net asset value, beginning of year</b>	<b>\$13.19</b>	<b>\$12.98</b>	<b>\$13.16</b>	<b>\$10.73</b>	<b>\$11.29</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.47	0.88	0.38	0.31	0.28
Total expenses	(0.29)	(0.27)	(0.25)	(0.25)	(0.21)
Realized gains (losses) for the year	1.54	0.42	0.16	1.76	(1.13)
Unrealized gains (losses) for the year	1.37	0.03	0.01	0.69	0.38
<b>Total increase (decrease) from operations (2)</b>	<b>\$3.09</b>	<b>\$1.06</b>	<b>\$0.30</b>	<b>\$2.51</b>	<b>\$(0.68)</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.09)	(0.08)	(0.04)	-	-
From capital gains	(0.91)	(0.66)	(0.01)	(0.13)	-
Return of capital	-	-	-	-	-
<b>Total distributions (2) (3)</b>	<b>\$(1.00)</b>	<b>\$(0.74)</b>	<b>\$(0.05)</b>	<b>\$(0.13)</b>	<b>\$-</b>
<b>Net asset value, end of year (2)</b>	<b>\$15.34</b>	<b>\$13.19</b>	<b>\$12.98</b>	<b>\$13.16</b>	<b>\$10.73</b>
<b>Ratios and Supplemental Data</b>					
Total net asset value (4)	\$32,673,941	\$25,252,366	\$30,963,349	\$18,564,724	\$11,690,068
Number of units outstanding (4)	2,130,418	1,914,759	2,385,362	1,410,682	1,089,175
Management expense ratio (5)	1.98%	2.02%	1.96%	2.06%	2.12%
Management expense ratio before waivers or absorptions	1.98%	2.03%	1.98%	2.40%	2.89%
Trading expense ratio (6)	0.03%	0.10%	0.09%	0.17%	0.10%
Portfolio turnover rate (7)	112.25%	263.11%	183.43%	262.00%	251.95%
<b>Net asset value per unit</b>	<b>\$15.34</b>	<b>\$13.19</b>	<b>\$12.98</b>	<b>\$13.16</b>	<b>\$10.73</b>

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024

The Fund's Net Asset Value (NAV) per Class I Unit (1)	2024	2023	2022	2021	2020
<b>Net asset value, beginning of year</b>	<b>\$12.84</b>	<b>\$12.51</b>	<b>\$12.63</b>	<b>\$10.31</b>	<b>\$10.52</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.46	0.82	0.37	0.30	0.18
Total expenses	(0.13)	(0.12)	(0.11)	(0.12)	(0.07)
Realized gains (losses) for the year	1.50	0.41	0.14	1.74	(1.91)
Unrealized gains (losses) for the year	1.37	(0.01)	(0.39)	0.67	(1.44)
<b>Total increase (decrease) from operations (2)</b>	<b>\$3.20</b>	<b>\$1.10</b>	<b>\$0.01</b>	<b>\$2.59</b>	<b>\$(3.24)</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.18)	(0.14)	(0.11)	(0.28)	(0.10)
From capital gains	(0.90)	(0.63)	(0.01)	-	-
Return of capital	-	-	-	-	-
<b>Total distributions (2) (3)</b>	<b>\$(1.08)</b>	<b>\$(0.77)</b>	<b>\$(0.12)</b>	<b>\$(0.28)</b>	<b>\$(0.10)</b>
<b>Net asset value, end of year (2)</b>	<b>\$14.96</b>	<b>\$12.84</b>	<b>\$12.51</b>	<b>\$12.63</b>	<b>\$10.31</b>
<b>Ratios and Supplemental Data</b>					
Total net asset value (4)	\$3,468,091	\$2,747,797	\$2,480,177	\$2,479,907	\$1,817,977
Number of units outstanding (4)	231,782	214,041	198,191	196,421	176,262
Management expense ratio (5)	0.92%	0.96%	0.91%	1.00%	0.68%
Management expense ratio before waivers or absorptions	0.92%	0.97%	0.94%	1.35%	0.77%
Trading expense ratio (6)	0.03%	0.10%	0.09%	0.17%	0.10%
Portfolio turnover rate (7)	112.25%	263.11%	183.43%	262.00%	251.95%
<b>Net asset value per unit</b>	<b>\$14.96</b>	<b>\$12.84</b>	<b>\$12.51</b>	<b>\$12.63</b>	<b>\$10.31</b>

#### Notes:

- (1) This information is derived from the Fund's audited financial statements for December 31, 2024, 2023, 2022, 2021, and 2020, and is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial year.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.
- (4) This information is provided as at December 31, 2024, 2023, 2022, 2021, and 2020.
- (5) Management expense ratio is based on total expenses (excluding distributions and commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average NAV during the year.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the year. Included in the trading expense ratio are the forward fees.
- (7) 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 year. The higher a funds' portfolio turnover rate in the year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

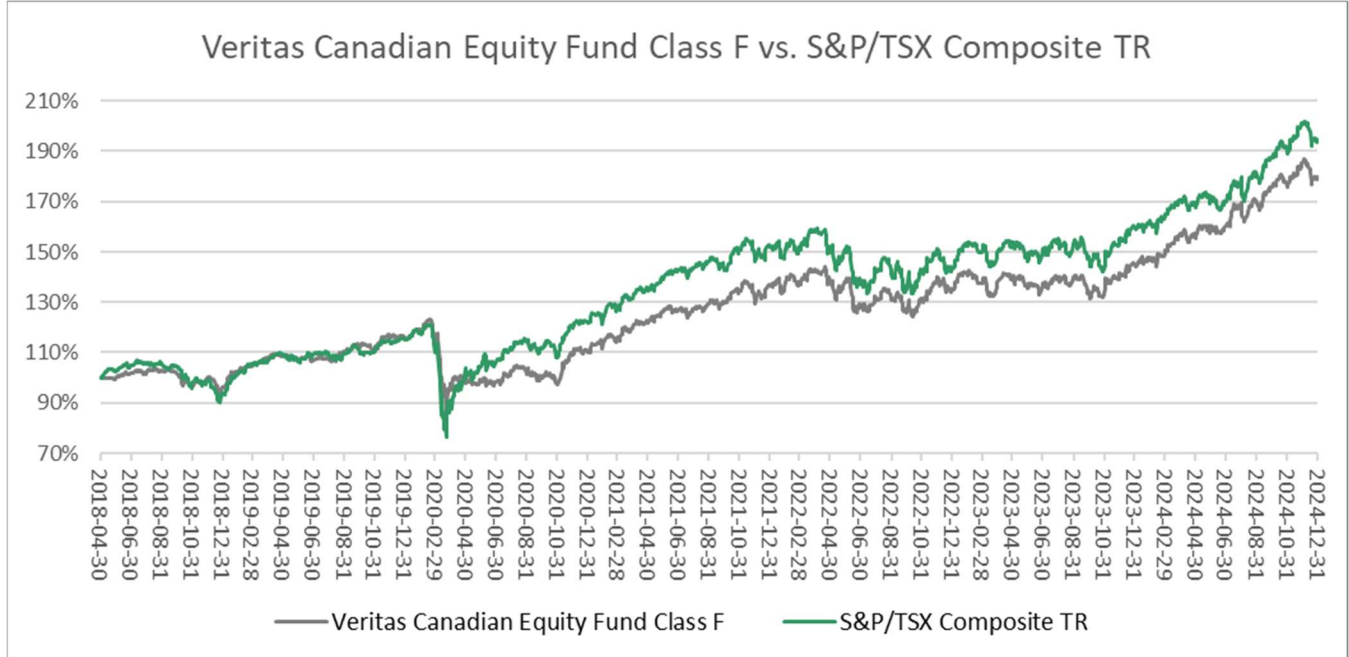
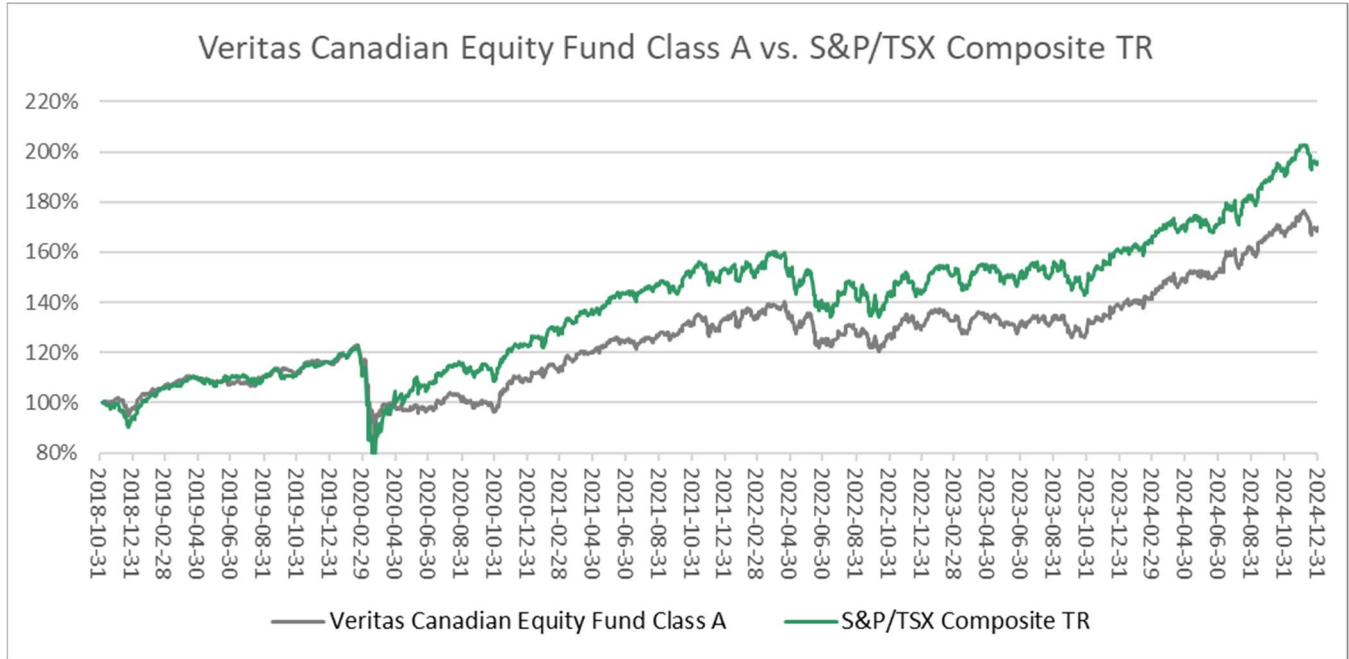
# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance for the year ended December 31, 2024

### 2024 Returns

The following line charts show the Fund's performance by class through 2024 versus the benchmark.

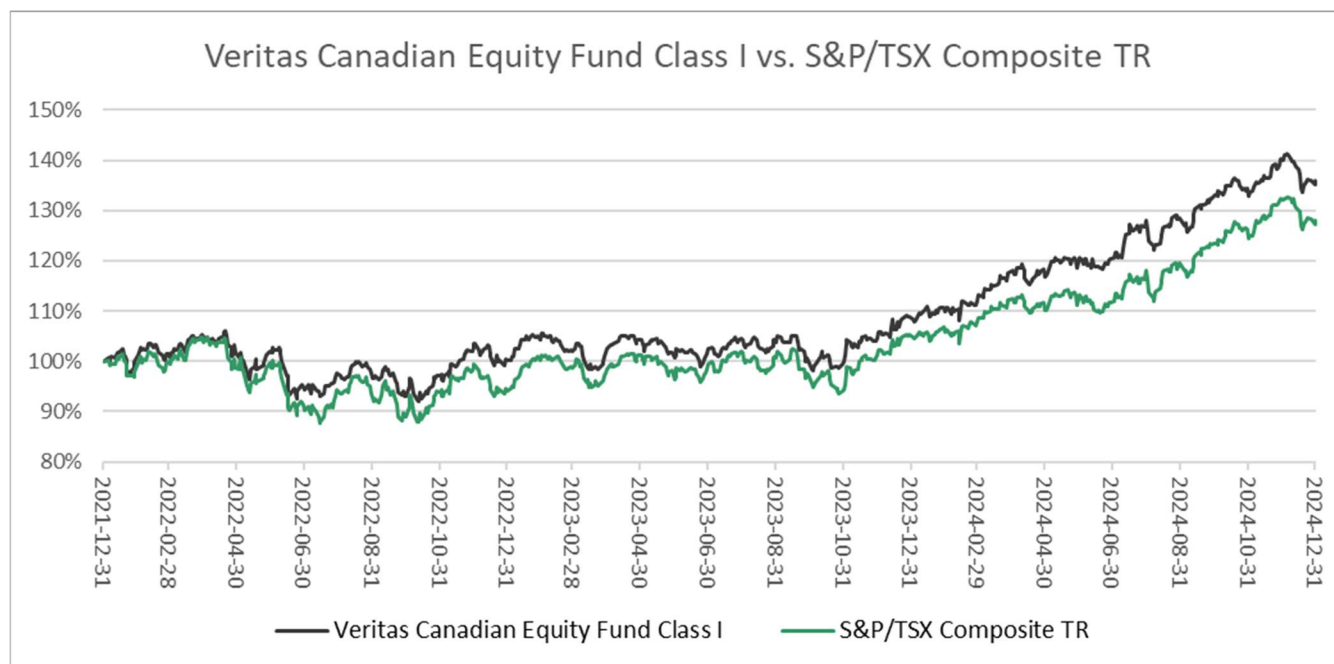




# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024



### Benchmark Information

The benchmark of the Fund is the S&P/TSX Composite Total Return Index. The S&P/TSX Composite, with 223 constituents, is the benchmark Canadian index, representing approximately 80% coverage of stocks listed on the Toronto Stock Exchange, as measured by market capitalization.

### Annual Compound Returns

The table below presents performance for the years ended December 31, 2024 and 2023.

	From January 1, 2024	From January 1, 2023
<b>Fund, Class A</b>	22.26%	6.45%
<b>Fund, Class F</b>	23.63%	7.65%
<b>Fund, Class I</b>	24.95%	8.80%
<b>INDEX</b>	21.65%	11.75%

# VERITAS CANADIAN EQUITY FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance for the year ended December 31, 2024

The following tables show 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, 2024.

Portfolio Composition		Top 25 Holdings	
Sector Allocation	% of Net Asset Value	Issuer	% of Net Asset Value
Consumer Staples	5.6%	<b>LONG POSITIONS</b>	
Energy	17.8%	Canadian Pacific Kansas City Ltd.	4.0%
Utilities	7.5%	The Toronto-Dominion Bank	4.0%
Industrials	17.2%	Air Canada	4.0%
Information Technology	8.1%	South Bow Corp.	3.9%
Financials	16.3%	Shopify Inc.	3.8%
Consumer Discretionary	8.5%	Aritzia Inc.	3.7%
Communication Services	4.1%	AtkinsRealis Group Inc.	3.5%
Real Estate	6.2%	Agnico Eagle Mines Ltd.	3.4%
Cash and cash equivalent	0.8%	National Bank of Canada	3.4%
Materials	7.8%	TFI International Inc.	3.2%
Other assets and liabilities	0.1%	Enbridge Inc.	3.1%
		goeasy Ltd.	3.1%
		Sun Life Financial Inc.	3.0%
<b>Total Portfolio Allocation</b>	<b>100.0%</b>	Wheaton Precious Metals Corp.	3.0%
		Restaurant Brands International Inc.	2.9%
<b>Total Net Asset Value</b>	<b>\$ 39,546,382</b>	Brookfield Infrastructure Partners LP	2.8%
		Constellation Software Inc.	2.8%
		Manulife Financial Corp.	2.8%
		Metro Inc.	2.6%
		Cenovus Energy Inc.	2.6%
		Canadian Natural Resources Ltd.	2.6%
		Cogeco Communications Inc.	2.6%
		Bombardier Inc.	2.5%
		AltaGas Ltd.	2.4%
		Fortis Inc.	2.3%
		<b>Total % of Net Asset Value</b>	
		<b>Represented by Holdings</b>	<b>78.0%</b>