

## **Annual Report of the Independent Review Committee of the Veritas Group of Funds (the "Funds")**

February 25, 2025

### **IRC Annual Report to: Securityholders in the Veritas Group of Funds (the "Funds") as listed at the end of this report**

Dear Securityholder,

In accordance with **National Instrument 81-107 Independent Review Committee for Investment Funds** ("NI 81-107") or the "Instrument"), Veritas Asset Management Inc. (the "Manager") established an Independent Review Committee (the "Committee" or "IRC") for the Funds on April 18, 2018. The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Fund, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to securityholders, covering the period from January 1, 2024 to December 31, 2024 (the "Reporting Period").

#### **Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures, hereinafter referred to as the Conflict-of-Interest Matters manual.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC's prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action provides a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions ("SIs") that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SIs.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict-of-interest matter to it. In those cases, the IRC has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

#### **Composition of the IRC**

The current members of the IRC, and their principal occupations, are as follows:

<b>Name and Municipality of Residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Chair: Fraser Howell, Toronto, Ontario	Financial executive, broad experience managing investment funds.	Initially appointed April 2018  Current term ends December 31, 2025
Vince Zambrano, Toronto, Ontario	Retired financial executive with experience managing investment funds	Initially appointed July 2019 Current term ends December 31, 2027
Supriya Kapoor, Toronto, Ontario	Founder/Principal at Aurelius GRP	Initially appointed January 2024  Current term ends December 31, 2026

*Fraser Howell is also a member of the IRC for the Sprott Asset Management LP funds.*

*Supriya Kapoor is also the chair of the IRC for the True Exposure Investments Inc. funds, and the Caldwell Investment Management funds.*

#### **Compensation and Indemnification Review of Compensation**

At least annually, the IRC reviews its compensation giving consideration to the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and
- the complexity of the conflict issues brought to the IRC.

The IRC determined that no changes were required in its compensation at this time.

#### **Members' Fees**

In aggregate the IRC members were paid \$22,000 plus applicable taxes, during the Reporting Period.

#### **Indemnities Granted**

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

#### **Disclosure of IRC Members' Holdings**

As at December 31, 2024, the IRC Members did not beneficially own, directly or indirectly:

- any units of the Funds;
- any interests in the Manager; or
- any material interests in a company or person that provides services to the Manager or the Fund.

#### **Decisions and Approvals**

The IRC did not provide any decisions or approvals during the Reporting Period.

#### **Standing Instructions Approved**

The IRC has approved one omnibus SI, which constitutes a written approval or decision from the IRC that permits the Manager to proceed with the specific action(s) set out in an SI on an ongoing basis, without having to refer the conflict-of-interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. The SI requires the Manager to comply with its related policy and procedures and to report periodically to the IRC.

#### **Standing Instruction No. 1: Omnibus**

This SI deals with a number of conflict-of-interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Pricing Errors and other Errors
5. Broker Selection
6. Showing Favoritism
7. Outsourcing to Third-party Services
8. Personal Trading
9. Client Complaints
10. Capacity Issues

### **Manager's Report on its Standing Instructions**

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SI during the Reporting Period. The Manager relied on the SI during the Reporting Period.

### **Funds Served by the IRC**

- Veritas Canadian Equity Fund
- Veritas Absolute Return Fund

This report is available on the Manager's website at <https://veritasfunds.com/> or you may request a copy, at no cost to you, by contacting the Manager at (416) 866-8783 or email the Funds at [info@veritasfunds.com](mailto:info@veritasfunds.com) . This document and other information about the Funds are available on [www.sedar.com](http://www.sedar.com)

Yours truly,



Chair: Fraser Howell