



VERITAS
Asset Management

Interim Financial Statements

VERITAS ABSOLUTE RETURN FUND

June 30, 2025
(Unaudited)

VERITAS ABSOLUTE RETURN FUND

June 30, 2025

Table of contents

Management Responsibility for Financial Reporting.....	1
Statement of Financial Position	2
Statement of Comprehensive Income	3
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	4
Statement of Cash Flows.....	5
Schedule of Investment Portfolio	6-8
Notes to the Financial Statements	9-19

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by **Veritas Asset Management Inc.** in its capacity as the Manager of the Trust. The Trust's Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain amounts that are based on estimates and judgements made by the Manager. The material accounting policies which the Manager believes are appropriate for the Trust are described in Note 3 to the unaudited interim financial statements.

On behalf of the Manager

"Antonio Scilipoti"

August 8, 2025

Date

NOTICE TO UNITHOLDERS

The Auditor of the Fund has not reviewed these interim financial statements.

Veritas Asset Management Inc., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

Veritas Absolute Return Fund

Statement of Financial Position As at June 30, 2025 (Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash at Broker (Note 3)	\$ 14,198,747	\$ 16,256,973
Investments at fair value through profit and loss (Note 3)	60,498,751	47,026,437
Dividends and interest receivable	186,216	142,557
Subscription receivable	129,582	16,243
	<u>75,013,296</u>	<u>63,442,210</u>
LIABILITIES		
Current liabilities		
Investments sold short, at fair value through profit and loss (Note 3)	13,548,862	10,418,437
Management fees payable (Note 5)	72,281	67,358
Accounts payable and accrued liabilities	71,884	51,476
Dividends payable on investments sold short	50,073	16,119
Interest payable on investments sold short	3,651	2,613
Redemptions payable	2,001	38,272
	<u>13,748,752</u>	<u>10,594,275</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 61,264,544</u>	<u>\$ 52,847,935</u>
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ 4,933,004	\$ 4,987,108
Series F	47,954,425	44,342,846
Series I	3,334,669	3,517,981
Series V	5,042,446	—
	<u>\$ 61,264,544</u>	<u>\$ 52,847,935</u>
Number of Redeemable Units Outstanding (Note 6)		
Series A	367,951	386,853
Series F	3,465,805	3,348,815
Series I	236,755	263,180
Series V	501,716	—
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ 13.41	\$ 12.89
Series F	13.84	13.24
Series I	14.08	13.37
Series V	10.05	—

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Fund,

"Antonio Scilipoti"

Manager and Trustee
Veritas Asset Management Inc.

Veritas Absolute Return Fund

Statement of Comprehensive Income

For the six-months ended June 30, 2025 (Unaudited)

	2025	2024
Income		
Net realized gain on investments	\$ 2,200,910	\$ 2,090,201
Dividend income	613,195	611,770
Interest income for distribution purposes	415,561	384,630
Net change in unrealized appreciation in value of investments	131,466	1,044,173
Early redemption fees	6	156
	<u>3,361,138</u>	<u>4,130,930</u>
Expenses		
Management fees (Note 5)	454,894	383,035
Dividends paid on investments sold short	156,018	160,597
Operating costs	142,212	149,493
Interest and borrowing fees	40,186	27,082
Commissions and other portfolio transactions costs	37,478	44,927
Audit fees	20,916	20,588
Custodian fees	16,248	19,231
Legal fees	11,512	11,542
Independent review committee fees	7,325	6,833
Withholding tax	5,366	5
	<u>892,155</u>	<u>823,333</u>
Increase in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 2,468,983</u>	<u>\$ 3,307,597</u>
Increase in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ 192,451	\$ 331,376
Series F	2,076,129	2,747,690
Series I	175,118	228,531
Series V	25,285	—
	<u>\$ 2,468,983</u>	<u>\$ 3,307,597</u>
Increase in Net Assets Attributable to Holders of Redeemable Units per Unit (Note 12)		
Series A	\$ 0.52	\$ 0.77
Series F	0.60	0.87
Series I	0.71	0.95
Series V	0.05	—

The accompanying notes are an integral part of these financial statements.

Veritas Absolute Return Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the six-months ended June 30, 2025 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2025					
Series A	\$ 4,987,108	\$ 127,222	\$ (373,777)	\$ 192,451	\$ 4,933,004
Series F	44,342,846	10,606,269	(9,070,819)	2,076,129	47,954,425
Series I	3,517,981	20,050	(378,480)	175,118	3,334,669
Series V	—	5,017,161	—	25,285	5,042,446
	<u>\$ 52,847,935</u>	<u>\$ 15,770,702</u>	<u>\$ (9,823,076)</u>	<u>\$ 2,468,983</u>	<u>\$ 61,264,544</u>

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2025 were \$5,056,646 and \$(5,056,646), respectively.

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued**	Redemption of redeemable units**	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2024					
Series A	\$ 5,173,770	\$ 118,142	\$ (789,428)	\$ 331,376	\$ 4,833,860
Series F	38,401,357	6,858,588	(12,206,111)	2,747,690	35,801,524
Series I	2,793,029	—	(48,120)	228,531	2,973,440
	<u>\$ 46,368,156</u>	<u>\$ 6,976,730</u>	<u>\$ (13,043,659)</u>	<u>\$ 3,307,597</u>	<u>\$ 43,608,824</u>

** Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2024 were \$21,789 and \$(21,789), respectively.

Veritas Absolute Return Fund

Statement of Cash Flows

For the six-months ended June 30, 2025 (Unaudited)

	2025	2024
Cash provided by (used in):		
Operating Activities		
Increase in Net Assets Attributable to Holders of Redeemable Units	\$ 2,468,983	\$ 3,307,597
Adjustments for non-cash items		
Net realized gain on investments	(2,200,910)	(2,090,201)
Net change in unrealized appreciation in value of investments	(131,466)	(1,044,173)
Change in non-cash balances		
(Increase) decrease in dividends and interest receivable	(43,659)	5,681
Increase (decrease) in management fees payable	4,923	(6,885)
Increase in accounts payable and accrued liabilities	20,408	5,176
Increase (decrease) in dividends payable on investments sold short	33,954	(22,349)
Increase in interest payable on investments sold short	1,038	73
Proceeds from sale of investments	77,214,527	47,953,235
Purchase of investments	(84,479,317)	(39,148,492)
Cash (used in) provided by operating activities	(7,111,519)	8,959,662
Financing Activities		
Proceeds from redeemable units issued	10,600,717	6,967,923
Amount paid on redemption of redeemable units	(4,802,701)	(12,989,251)
Cash provided by (used in) financing activities	5,798,016	(6,021,328)
(Decrease) increase in cash at broker during the period	(1,313,503)	2,938,334
Foreign exchange (loss) gain on cash	(744,723)	182,077
Cash at Broker, beginning of period	16,256,973	10,684,763
Cash at Broker, end of period	\$ 14,198,747	\$ 13,805,174
Supplemental information*		
Interest paid	\$ 13,819	\$ 3,385
Interest received	412,587	385,245
Dividends paid	122,065	182,947
Dividends received, net of withholding taxes	567,144	616,831

*Included as a part of cash flows from operating activities

Veritas Absolute Return Fund

Schedule of Investment Portfolio

As at June 30, 2025 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian equities				
10,700	Agnico Eagle Mines Ltd.	\$ 883,249	\$ 1,735,967	2.83
28,200	Alimentation Couche-Tard Inc.	1,954,108	1,908,858	3.12
75,000	Allied Properties Real Estate Investment Trust	1,203,313	1,287,000	2.10
48,500	ARC Resources Ltd.	1,354,023	1,392,435	2.27
28,615	Atco Ltd.	1,464,498	1,453,070	2.37
19,500	AtkinsRealis Group Inc.	1,105,897	1,862,445	3.04
50,900	Barrick Mining Corp.	1,417,600	1,443,015	2.36
16,600	Bombardier Inc.	1,067,737	1,969,424	3.21
39,200	Brookfield Infrastructure Partners LP	1,677,532	1,788,304	2.92
77,700	Canada Goose Holdings Inc.	1,146,196	1,183,371	1.93
14,700	Canadian National Railway Co.	2,154,150	2,085,783	3.40
12,400	Cogeco Communications Inc.	754,590	881,020	1.44
385	Constellation Software Inc.	1,390,678	1,922,382	3.14
36,200	Element Fleet Management Corp.	1,179,296	1,234,782	2.02
910	Fairfax Financial Holdings Ltd.	1,817,679	2,236,780	3.65
23,700	Fortis Inc.	1,294,707	1,540,974	2.52
15,920	Granite Real Estate Investment Trust	1,174,988	1,101,346	1.80
51,736	Killam Apartment Real Estate Investment Trust	933,910	1,014,543	1.66
18,400	Lumine Group Inc.	689,453	880,072	1.44
41,700	Manulife Financial Corp.	1,831,801	1,815,618	2.96
54,764	Maple Leaf Foods Inc.	1,382,185	1,553,655	2.54
13,300	Metro Inc.	1,125,340	1,422,701	2.32
23,700	Newmont Corp.	1,481,113	1,880,832	3.07
22,000	Nutrien Ltd.	1,627,690	1,745,700	2.85
34,252	RioCan Real Estate Investment Trust	623,496	606,603	0.99
59,000	Rogers Communications Inc.	2,276,626	2,383,010	3.89
12,900	Royal Bank of Canada	2,212,576	2,315,163	3.78
47,300	South Bow Corp.	1,593,062	1,672,055	2.73
23,300	TC Energy Corp.	1,618,582	1,548,984	2.53
18,200	The Toronto-Dominion Bank	1,433,530	1,822,912	2.98
22,300	Tourmaline Oil Corp.	1,460,561	1,465,110	2.39
9,400	Wheaton Precious Metals Corp.	606,261	1,151,124	1.88
		<u>43,936,427</u>	<u>50,305,038</u>	<u>82.13</u>
U.S. equities				
1,800	Crowdstrike Holdings Inc.	1,152,280	1,248,716	2.04
21,100	GE HealthCare Technologies Inc.	2,018,807	2,128,795	3.47
86,000	MINISO Group Holding Ltd.	2,134,590	2,134,302	3.48
51,100	Primo Brands Corp.	2,202,934	2,061,650	3.37
12,900	Restaurant Brands International Inc.	1,216,731	1,164,788	1.90
7,600	South Bow Corp.	257,357	268,219	0.44
9,700	TFI International Inc.	1,199,282	1,184,753	1.93
		<u>10,181,981</u>	<u>10,191,223</u>	<u>16.63</u>
U.S. options				
4,400	Best Buy Co Inc. Call \$75 18JUL25	9,576	479	0.00

Veritas Absolute Return Fund

Schedule of Investment Portfolio (Cont'd)

As at June 30, 2025 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
U.S. options (cont'd)				
4,500	Best Buy Co Inc. Call \$77.50 18JUL25	\$ 5,269	\$ 123	0.00
12,600	General Mills Inc. Call \$55 18JUL25	14,687	1,888	0.00
		<u>29,532</u>	<u>2,490</u>	<u>0.00</u>
	Total investments owned	54,147,940	60,498,751	98.76
Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
Canadian equities				
(5,400)	Canadian Tire Corp Ltd.	\$ (804,672)	\$ (1,001,106)	(1.63)
(12,000)	Emera Inc.	(732,236)	(748,560)	(1.22)
(11,100)	Empire Co., Ltd.	(529,786)	(627,261)	(1.02)
(20,200)	Laurentian Bank of Canada	(534,540)	(629,028)	(1.03)
(10,200)	Lundin Gold Inc.	(703,632)	(733,380)	(1.20)
(11,700)	Stella-Jones Inc.	(818,146)	(918,333)	(1.50)
(40,800)	TELUS Corp.	(870,543)	(892,296)	(1.46)
		<u>(4,993,555)</u>	<u>(5,549,964)</u>	<u>(9.06)</u>
U.S. equities				
(11,100)	Advance Auto Parts Inc.	(691,578)	(702,898)	(1.15)
(9,400)	Best Buy Co Inc.	(925,923)	(859,515)	(1.40)
(10,800)	Brookfield Asset Management Ltd.	(799,967)	(813,206)	(1.33)
(13,700)	BRP Inc.	(762,168)	(904,488)	(1.48)
(12,600)	General Mills Inc.	(921,541)	(889,187)	(1.45)
(26,900)	Harley-Davidson Inc.	(897,494)	(864,716)	(1.41)
(8,800)	Imperial Oil Ltd.	(868,491)	(952,685)	(1.56)
(10,800)	NIKE Inc.	(915,766)	(1,045,047)	(1.71)
(14,000)	Teck Resources Ltd.	(707,430)	(770,022)	(1.26)
		<u>(7,490,358)</u>	<u>(7,801,764)</u>	<u>(12.75)</u>
U.S. options				
(8,900)	Best Buy Co Inc. Put \$65 18JUL25	(9,330)	(14,062)	(0.02)
(9,500)	Chewy Inc. Call \$55 18JUL25	(6,500)	(453)	0.00
(14,900)	Chewy Inc. Put \$35 18JUL25	(5,302)	(1,218)	0.00
(1,800)	Crowdstrike Holdings Inc. Call \$470 18JUL25	(73,695)	(107,020)	(0.17)
(34,700)	Dave & Buster's Entertainment Inc. Put \$18 18JUL25	(16,920)	(2,363)	0.00
(7,500)	GE HealthCare Technologies Inc. Call \$80 18JUL25	(6,125)	(2,043)	0.00
(6,400)	GE HealthCare Technologies Inc. Put \$65 18JUL25	(7,173)	(959)	0.00
(6,400)	Micron Technology Inc. Call \$140 25JUL25	(29,313)	(6,189)	(0.01)
(37,100)	MINISO Group Holding Ltd. Call \$22.50 18JUL25	(8,620)	(5,053)	(0.01)
(27,900)	MINISO Group Holding Ltd. Put \$15 18JUL25	(6,189)	(4,750)	(0.01)
(3,500)	NIKE Inc. Call \$66 18JUL25	(5,009)	(25,744)	(0.04)

Veritas Absolute Return Fund

Schedule of Investment Portfolio (Cont'd)

As at June 30, 2025 (Unaudited)

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
	U.S. options (cont'd)			
(5,000)	Shopify Inc. Call \$125 18JUL25	\$ (6,970)	\$ (9,126)	(0.01)
(7,400)	Shopify Inc. Put \$85 18JUL25	(9,305)	(504)	0.00
(3,400)	SPDR S&P 500 ETF Trust Put \$530 29AUG25	(33,584)	(8,197)	(0.01)
(34,700)	Victoria's Secret & Co. Call \$24 18JUL25	(76,409)	(9,453)	(0.02)
		<u>(300,444)</u>	<u>(197,134)</u>	<u>(0.30)</u>
	Total investments sold short	(12,784,357)	(13,548,862)	(22.11)
	Commissions and other portfolio transaction costs	<u>(12,384)</u>	<u>—</u>	<u>—</u>
	Net investments owned	\$ 41,351,199	46,949,889	76.65
	Other assets, net		<u>14,314,655</u>	<u>23.35</u>
	Net Assets Attributable to Holders of Redeemable Units		\$ 61,264,544	100.00

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

1. TRUST ORGANIZATION AND NATURE OF OPERATIONS

Veritas Absolute Return Fund (the "Fund") is an investment trust created under the laws of the Province of Ontario by a declaration of trust dated June 8, 2017 (the "Declaration of Trust") as amended, restated or supplemented from time to time. Effective October 1, 2019, the Fund filed a simplified prospectus with the provincial regulatory authority to become an alternative mutual fund subject to National Instrument 81-102 Investment Funds ("NI 81-102") and changed its name to Veritas Absolute Return Fund. Veritas Asset Management Inc. is the Manager and Trustee (the "Manager" and "Trustee") of the Fund. The Fund commenced active operations on August 2, 2017. The address of the Fund's registered office is, 100 Wellington Street West, Suite 3110, Toronto, Ontario, M5K 1E7, Canada.

The investment objective of the Fund is to achieve attractive risk-adjusted rates of return that deliver long-term capital appreciation to unitholders. In order to achieve its investment objective, the Fund will invest primarily in the securities of publicly traded Canadian companies that the Manager identifies as mispriced. Long and short positions will be determined based (in part) on recommendations provided by Veritas Investment Research Corporation (an affiliate of the Manager). The Manager may also invest in securities that are not formally covered by Veritas Investment Research Corporation. The Fund will manage its long and short positions to reduce the impact of market volatility on the portfolio.

2. BASIS OF PRESENTATION

These interim financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and International Accounting Standard 34, Interim Financial Reporting (together "IFRS Accounting Standards"). These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL") which are presented at fair value. These interim financial statements were authorized for issue by the Manager on August 8, 2025.

IFRS Accounting Standards issued but not yet adopted

Presentation and Disclosure in Financial Statements:

In April 2024, the IASB issued the new standard IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures ("MPMs") in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Fund is assessing the impacts to the financial statements.

Classification and Measurement of Financial Instruments:

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS Accounting Standards 7 – Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Fund is assessing the impacts to the financial statements.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Valuation of investments

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

Financial Instruments measured at fair value

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices and /or other observable factors); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of June 30, 2025, and December 31, 2024, all investments are classified at Level 1.

Classification

The Fund classifies its investments in equity securities as financial assets and financial liabilities at FVTPL.

The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments. Upon initial recognition, financial instruments are classified as FVTPL. All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Regular purchases and sales of financial assets are recognized at their trade date. Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income.

Recognition/derecognition

The Fund recognizes financial assets or financial liabilities on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statement of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in "Commissions and other portfolio transaction costs" in the Statement of Comprehensive Income.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Interest income is accrued daily based on the stated coupon of the underlying instrument and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

Realized gain on sale of investments and unrealized appreciation in investments is determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities.

Translation of foreign currency

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:00pm Eastern Time (the "closing rate") on a day the Toronto Stock Exchange ("TSX") is open (each, a "Valuation Date"). Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions. The effects of exchange rate fluctuations on investments are included in the 'Net realized gain on investments' and 'Net change in unrealized appreciation in value of investments' in the Statement of Comprehensive Income.

Use of estimates

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Net Assets attributable to holders of redeemable units per unit

The Net Assets attributable to holders of redeemable units per unit is calculated by dividing the Net Assets attributable to holders of redeemable units of a particular series of redeemable units by the total number of redeemable units of that particular series outstanding at the end of the period.

Increase in Net Assets attributable to holders of redeemable units per unit

Increase in Net Assets attributable to holders of redeemable units per unit is based on the increase in Net Assets attributable to holders of redeemable units attributed to each series of redeemable units, divided by the weighted average number of redeemable units outstanding of that series during the period. Refer to Note 12 for the calculation.

Other assets and liabilities

Dividends and interest receivable and subscription receivable are recorded at amortized cost. Dividends payable on investments sold short, accounts payable and accrued liabilities, management fees payable, interest payable on investments sold short and redemptions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and accordingly, the amortized cost approximates fair value.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash at broker

The Fund has both custodial and prime brokerage agreement to carry its accounts. The custodian and prime broker each have custody of the Fund's securities and, from time to time, cash balances which may be due from the custodian and prime broker.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Classification of Fund units

The Fund has determined that its units do not meet the criteria to be classified as equity and accordingly has classified these as liabilities in the Statement of Financial Position.

5. RELATED PARTY TRANSACTIONS

Management fees

The Manager receives a management fee payable by the Fund for providing its services to the Fund. The management fee varies for each series of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the series of units of the Fund, plus applicable taxes, and is payable on the last day of each calendar month. The management fee for each of the applicable series of Units is as follows:

- Series A: 2.50% per annum of the net asset value of Series A Units of the Fund calculated daily and payable on the last business day of the month.
- Series F: 1.50% per annum of the net asset value of Series F Units of the Fund calculated daily and payable on the last business day of the month.
- Series V: 0.95% per annum of the net asset value of Series V Units of the Fund calculated daily and payable on the last business day of the month.
- Series I: Negotiated between the investor and the Manager and paid directly by the investor. The management fee rate on the Series I units will not exceed the management fee payable on Series F units of the Fund.
- Series P: 1.50% per annum of the net asset value of Series P Units of the Fund calculated daily and paid on the last business day of the month.

Ownership

As at June 30, 2025, 172,497 units (December 31, 2024: 163,146) of Series F were owned by parties related to the Manager. As at June 30, 2025, 219,921 units (December 31, 2024: 247,343) of Series I were owned by parties related to the Manager.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

6. REDEEMABLE UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of redeemable units in an unlimited number of series, each of which represents an equal, undivided, beneficial interest in the Net Assets of the Fund. Each unit of each series entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund.

The Fund has created Series A, Series F, Series V, Series I units and Series P units. Series A units are available to all investors. Series F units are available to investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Series P Units are available on a private placement basis to investors resident in the provinces of Ontario and Manitoba and such other provinces or territories as may be determined by the Manager who invest in the Funds through the Manager, in its capacity as an exempt market dealer or through another registered dealer. The management fees on the Series P Units will not be greater than the management fees charged in relation to the Series A Units of the applicable Funds. Series I units are available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Series V Units are available to investors who purchase through certain Registered Representatives selected at the discretion of the Manager and whose Registered Representative invests the minimum amount agreed to with the Manager. Series V Units will only be available for investment until such time as the Series V Units (as applicable) reach a NAV of \$125 million, following which time, they will be closed to new investment.

The minimum initial investment in Series A and Series F units of the Fund is \$5,000. The minimum subsequent investment in the Series A and Series F units of the Fund is \$500 unless bought through a pre-authorized contribution plan, in which case, the minimum subsequent investment is \$100. The minimum initial investment in Series P is \$100,000 or such other amount as may be accepted by the Manager in its discretion and permitted under applicable securities laws. The minimum initial and subsequent investment in Series I units is negotiable between the investor and the Manager. The minimum initial investment in Series V units is \$10 million in aggregated purchases by registered representatives or such amount as approved at the discretion of the Manager. The minimum subsequent investment in the Series V units of the Fund is \$1,000 or such amount as otherwise approved by the Manager.

Units of the Fund can be purchased or redeemed on a daily basis on or before 4:00 p.m. (Eastern Time) on any Valuation Day (each, a "Purchase Date" or a "Redemption date" as the case may be). The issue price of the units is based on the unit price for that particular series on the Purchase Date. If a purchase order or a redemption order is received by the Manager before 4:00 p.m. ET on a Purchase Date or a Redemption Date as the case may be, then it is processed at the unit price calculated later that day. Otherwise, the order will be processed at the unit price calculated on the next Purchase Date or Redemption Date as applicable. The Manager may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Purchase Date or Redemption Date as applicable. Redemption proceeds are paid within one business day after the relevant Redemption Date.

If an investor redeems Series A, Series F or Series V units of the Fund within 30 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining unitholders in the Fund, 2% of the net asset value of the Series of units being redeemed. The short-term trading fee will not apply in certain circumstances such as:

- redemptions of Series A, Series F or Series V units purchased by the reinvestment of distributions;
- for systematic withdrawal plans;
- redesignation of Series A, Series F or Series V units from one series to another Series of the Fund;
- redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager; or
- in the absolute discretion of the Manager.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

6. REDEEMABLE UNITS OF THE FUND (continued)

The Fund will distribute its net income and net realized capital gains to unitholders at least annually. All such amounts will be automatically reinvested, without charge, in additional units of the Fund at the unit value calculated on the date of distribution.

The unit activity during the periods ended June 30, 2025 and 2024 are as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemptions of Redeemable Units	Redeemable Units, end of period
June 30, 2025				
Series A	386,853	9,662	(28,564)	367,951
Series F	3,348,815	784,389	(667,399)	3,465,805
Series I	263,180	1,480	(27,905)	236,755
Series V	—	501,716	—	501,716
June 30, 2024				
Series A	460,048	10,063	(67,887)	402,224
Series F	3,334,085	564,622	(1,003,770)	2,894,937
Series I	244,254	—	(4,094)	240,160

Capital disclosure

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 7, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

7. RISK MANAGEMENT

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the type of securities it invests in.

The investment objective of the Fund is to achieve attractive risk-adjusted rates of return that deliver long-term capital appreciation to unitholders. The Manager manages risk by employing professional and experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As of June 30, 2025 and December 31, 2024, the Fund had no significant investments in debt instruments. The Fund's maximum exposure to credit loss is \$61,464,434 (December 31, 2024: \$53,023,773).

Liquidity Risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity.

The Fund may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives. Financial liabilities are generally settled within three months.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

7. RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

The majority of the Fund's financial assets and liabilities are non-interest bearing. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. As of June 30, 2025 and December 31, 2024, the Fund had no significant investments in debt instruments.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. Except for written options and securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written call options and securities sold short can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As of June 30, 2025, 77% (December 31, 2024: 69%) of the Fund's Net Assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10% as of the year end, with all other factors remaining constant, Net Assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$4,694,989 (December 31, 2024: \$3,660,800). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Concentration Risk

A relatively high concentration of assets in a single or small number of issuers may reduce the diversification and liquidity of the Fund and increase its volatility. As a result of reduced liquidity, the Fund's ability to satisfy redemption requests may be reduced. It may also result in a concentration in specialized industries or market sectors. Investment in the Fund will therefore involve greater risk and volatility than investing in a mutual fund that has a broadly based investment portfolio since the performance of one particular industry or market could significantly and adversely affect the overall performance of the Fund.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

7. RISK MANAGEMENT (continued)

Concentration Risk (continued)

The following is a summary of the Fund's concentration risk as a percentage of the net assets of the Fund:

Market segment	Percentage of net assets attributable to holders of redeemable units	
	June 30, 2025	December 31, 2024
Investments owned		
Communication Services	3.9	3.6
Consumer Discretionary	(1.6)	5.8
Consumer Staples	8.9	4.7
Energy	8.8	11.1
Financials	11.0	12.4
Health Care	3.5	–
Industrials	13.6	13.2
Information Technology	6.4	5.5
Materials	9.0	6.5
Real Estate	6.5	4.2
Utilities	6.6	2.4
Total net investments	76.6	69.4
Cash at broker	23.2	30.8
Other assets and liabilities	0.2	(0.2)
	100.0	100.0

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments (including cash at broker) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Fund. The Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

7. RISK MANAGEMENT (continued)

Currency Risk (continued)

The table below summarizes the Fund's exposure to currency risk as of June 30, 2025 and December 31, 2024:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2025						
U.S. Dollar	\$ 4,203,828	\$ 2,194,815	\$ 6,398,643	\$ 210,191	\$ 109,741	\$ 319,932
	\$ 4,203,828	\$ 2,194,815	\$ 6,398,643	\$ 210,191	\$ 109,741	\$ 319,932
% of Net Assets						
Attributable to Holders of Redeemable Units	6.86	3.58	10.44	0.34	0.18	0.52

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2024						
U.S. Dollar	\$ 6,787,743	\$ 747,714	\$ 7,535,457	\$ 339,387	\$ 37,386	\$ 376,773
	\$ 6,787,743	\$ 747,714	\$ 7,535,457	\$ 339,387	\$ 37,386	\$ 376,773
% of Net Assets						
Attributable to Holders of Redeemable Units	12.84	1.41	14.25	0.64	0.07	0.71

8. EXPENSES

The Manager has the power to incur and make payment out of the Fund property any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Declaration of Trust, including without limitation all fees and expenses relating to the management and administration of the Fund. The Fund is responsible for any income or excise taxes and brokerage commissions on portfolio transactions.

Veritas Absolute Return Fund

Notes to Financial Statements

June 30, 2025 (Unaudited)

9. INDEMNIFICATION OF THE TRUSTEE

The Fund, in its Declaration of Trust, has indemnified the Trustee, their principals and their respective affiliates from all claims that may arise for (i) mistakes of judgement or for action or inaction or for losses due to such mistakes, action or inaction so long as they acted honestly and not in bad faith and reasonably believed that their conduct was in the best interests of the Fund and (ii) losses due to mistakes of judgment or the action or omission of any broker or agent of the Trustee, selected, engaged or retained by the Trustee, the principals or their respective affiliates. There is no financial impact on indemnification of the Trustee.

10. INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada). The Declaration of Trust provides that the Fund's net taxable income for each year, including net realized capital gains, is payable to its Unitholders in the year. Accordingly, the Fund is not liable for income tax in respect of its income and net realized gains for the year ended December 31, 2024. Foreign income received is subject to foreign withholding taxes.

As of the tax year December 31, 2024, the Fund had nil (2023: nil) non-capital and \$3,825,744 (2023: \$3,825,744) capital losses carried forward.

11. CAPITAL MANAGEMENT

The Fund's capital is its net assets, representing unitholder's equity. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders, maximize unitholder value and maintain financial strength.

The Fund is not subject to any externally imposed capital requirements.

12. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The increase in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2025 and 2024 are calculated as follows:

	Increase in Net Assets Attributable to Holders of Redeemable Units per Series	Weighted Average of Redeemable Units Outstanding During the Period	Increase in Net Assets Attributable to Holders of Redeemable Units per Unit
June 30, 2025			
Series A	\$ 192,451	371,737	\$ 0.52
Series F	2,076,129	3,479,599	0.60
Series I	175,118	245,125	0.71
Series V	25,285	501,716	0.05
June 30, 2024			
Series A	\$ 331,376	429,618	\$ 0.77
Series F	2,747,690	3,163,243	0.87
Series I	228,531	241,535	0.95