

VERITAS FUNDS PLC

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

VERITAS FUNDS PLC

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DIRECTORY

DIRECTORS

Mike Kirby (Irish)
Brian Wilkinson (British, Irish resident)*
Richard Grant (British)
Michael Morris (Irish) (since 1 January 2021)*
Nicola Lakin (British) (since 15 April 2021)

REGISTERED OFFICE

25/28 North Wall Quay (until 13 May 2021)
IFSC
Dublin 1
Ireland

DEPOSITARY

Brown Brothers Harriman Trustee Services (Ireland)
Limited
30 Herbert Street
Dublin 2
Ireland

70 Sir John Rogerson's Quay (from 13 May 2021)
Dublin 2
Ireland

ADMINISTRATOR AND REGISTRAR

Brown Brothers Harriman Fund Administration Services
(Ireland) Limited
30 Herbert Street
Dublin 2
Ireland

**INVESTMENT MANAGER AND UNITED
KINGDOM REPRESENTATIVE**

Veritas Asset Management LLP
1 Smart's Place
London WC2B 5LW
United Kingdom

INDEPENDENT AUDITORS

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS TO THE COMPANY

A&L Goodbody (until 10 May 2021)
International Financial Services Centre
28-28 North Wall Quay
Dublin 1
Ireland

**SUB ADVISOR TO THE VERITAS ASIAN FUND
AND VERITAS CHINA FUND**

Veritas Asset Management (Asia) Ltd
Level 29, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Matheson (from 10 May 2021)
70 Sir John Rogerson's Quay
Dublin 2
Ireland

COMPANY SECRETARY

Goodbody Secretarial Limited (until 13 May 2021)
25-28 North Wall Quay
IFSC
Dublin 1
Ireland

**SWISS PAYING AGENT & SWISS
REPRESENTATIVE**

Société Générale Paris
Zürich Branch
Talacker 50, P.O.B. 1928
CH-8001 Zurich
Switzerland

Matsack Trust Limited (from 13 May 2021)
70 Sir John Rogerson's Quay
Dublin 2
Ireland

All Directors are non-executive

* Independent Director

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 September 2021.

Directors' responsibilities

Company law requires the Directors to prepare Company financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Irish Law and International Financial Reporting Standards (IFRS's) as adopted by the EU and applicable law.

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the assets, liabilities and financial position of Veritas Funds Plc ("the Company") and of the Statement of Comprehensive Income of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union ("EU") and ensure that they contain additional information required by the Companies Act, 2014 (the "Companies Act"); and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the Company to the Depositary for safe-keeping. In carrying out this duty, the Directors have delegated custody of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Adequate Accounting Records

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements are prepared in accordance with Financial Reporting Standards applicable in the Republic of Ireland and comply with the Companies Act and the Central Bank UCITS Regulations.

**DIRECTORS' REPORT
(CONTINUED)**

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. To this end the Directors have engaged Brown Brothers Harriman Fund Administration Services (Ireland) Limited as Administrator and Matsack Trust Limited as Secretary (from 13 May 2021). The accounting records are kept at 30 Herbert Street, Dublin 2.

Review of business and future developments

The Company is an open-ended investment company with variable capital which has been authorised by the Central Bank of Ireland (the "Regulator") under the Central Bank UCITS Regulations. There was no change in the nature of the Company's business during the year.

The Investment Manager's Report contains a review of the factors which contributed to the performance for the year.

The Company will continue to pursue its objectives as set out in detail in the Prospectus.

Risk management objectives and policies

A detailed review of the principal activities is included in the Investment Manager's Report and in note 9 of these financial statements.

Principal risks and uncertainties

The Company is an umbrella fund with segregated liability between sub-funds. The principal risks facing the Company relate primarily to the holding of financial instruments and markets in which it invests. The most significant types of financial risk to which the Company is exposed are market risk, credit risk and liquidity risk. Market risk includes other price risk, currency risk and interest rate risk. Details of the risks associated with financial instruments are included in note 9 to the financial statements.

Beginning in January 2020, global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance.

The United Kingdom ("UK") officially left the EU on 31 January 2020 but remained subject to EU regulations during an agreed transitional phase until 31 December 2020. Although a free trade agreement was ratified by both the EU and the UK in December 2020 and the transitional phase has ended, there remains a number of uncertainties in connection with the UK's relationship with the EU in regards to potential regulatory alignment or equivalence. Until the terms of regulations are clearer, it is not possible to determine the full impact that the UK's departure and/or any related matters may have on the Company and its investments. From 1 January 2021 a memorandum of understanding is in place between the UK's Financial Conduct Authority, the European Securities and Markets Authority and the EU which permits the continued delegation of investment management to Veritas Asset Management.

Results and dividends

The results and dividends for the year are set out in the Statement of Comprehensive Income. During the financial year ended 30 September 2021, the Company paid to Holders of Redeemable Participating Shares distributions in the amount of USD 11,484,791.

**DIRECTORS' REPORT
(CONTINUED)**

Significant matters arising during the year

Significant matters arising during the year are outlined in note 15.

Subsequent events

Details of subsequent events since the statement of financial position date are outlined in note 18.

Directors

Mr Brian Wilkinson, Mr Mike Kirby, Mr Richard Grant, Mr Michael Morris (since 1 January 2021) and Ms Nicola Lakin (since 15 April 2021) were the Directors who held office throughout the year.

Directors' and secretary's interests

The Directors of the Company at 30 September 2021 are set out on page 2 and the shares held by Directors are outlined in note 11.

As at 30 September 2021, Mr Richard Grant was a Managing Partner of the Investment Manager and as such had an interest in the relationship between the Company and the Investment Manager. He ceased acting as a Managing Partner of the Investment Manager from 1 November 2021. Mr Richard Grant was also director of Veritas Asset Management (Asia) Ltd, a sub-advisor to the Investment Manager on Veritas Asian Fund and Veritas China Fund (until 1 November 2021). He will continue as a director on the Board of the Company.

Ms Nicola Lakin is the Chief Operating Officer and a Managing Partner of the Investment Manager (since 1 November 2021) and as such has an interest in the relationship between the Company and the Investment Manager. Ms Nicola Lakin is also director of Veritas Asset Management (Asia) Ltd (since 16 June 2021).

The Company uses the services of KB Associates for the provision of a Money Laundering Reporting Officer. Mr Mike Kirby who is a Director of the Company, is the Managing Principal of KB Associates.

The Secretary does not have any interest in the Company.

Connected persons

In accordance with the requirements of the Central Bank UCITS Regulations, all transactions carried out with the Company by the management company or depositary of a UCITS, and the delegate or sub-delegates of such a management company or depositary (excluding any non-group company sub-depositaries appointed by a depositary), and any associated or group companies of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if conducted at arm's length and be in the best interests of shareholders. The Directors are satisfied that there are arrangements in place to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons and transactions with connected persons entered into during the period complied with the obligations set out in the Central Bank UCITS Regulations.

Independent auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act.

**DIRECTORS' REPORT
(CONTINUED)**

Directors Compliance Statement

The Directors confirm, in accordance with Section 225 of the Companies Act, that the following has been completed:

- produced a compliance policy statement setting out the Company's compliance policies;
- established arrangements/structures sufficient to "secure material compliance" with the Company's "relevant obligations"; and
- conducted a review of these arrangements/structures during the financial year ended 30 September 2021.

Audit Committee

Section 167 (2) of the Companies Act requires the Board of Directors to either establish an audit committee or decide not to establish such a committee. The Directors believe that there is no requirement to form an audit committee as:

- the Board has all non-executive Directors and two independent Directors;
- Veritas Asset Management LLP has been appointed as investment manager and performs the general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Directors;
- the Company have also appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as Depositary of the assets of the Company.

Audit Information Statement

As per the Section 330 of the Companies Act,

- so far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Corporate Governance Code

The Company has adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code") which was issued by Irish Funds in December 2011 and which came into effect on 1 January 2012 with a transitional period of 12 months until 31 December 2012. The Board of Directors resolved to adopt the Code at a board meeting on 13 December 2012 with effect from 31 December 2012. The Directors confirm that the Company has been in compliance with the Code since the date of adoption.

Financial reporting process – description of main features:

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Directors have procedures in place to ensure that all relevant accounting records are properly maintained and are readily available, including production of annual and interim financial statements. The annual and interim financial statements of the Company are required to be approved by the Directors and filed with the Central Bank. The annual financial statements are required to be audited by an independent auditor who reports annually to the Board on their findings.

**DIRECTORS' REPORT
(CONTINUED)**

The Directors have established processes regarding internal control and risk management systems to ensure their effective oversight of the financial reporting process. These include appointing Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") to maintain the books and records of the Company independently of the Investment Manager and the Depositary. The Administrator is authorised and regulated by the Central Bank and complies with the rules imposed by the Central Bank.

The Directors evaluate and discuss significant accounting and reporting issues as the need arises. From time to time the Directors also examine and evaluate the Administrator's financial accounting and reporting routines and monitor and evaluate the independent auditors' performance, qualifications and independence.

On behalf of the Board of Directors



Brian Wilkinson

Mike Kirby
K A

14 December 2021



Independent auditors' report to the members of Veritas Funds Plc

Report on the audit of the financial statements

Opinion

In our opinion, Veritas Funds Plc's financial statements:

- give a true and fair view of the Company's and sub-funds' assets, liabilities and financial position as at 30 September 2021 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 30 September 2021;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year then ended;
- the Schedule of Investments for each of the sub-funds as at 30 September 2021; and
- the notes to the financial statements for the Company and for each of its sub-funds, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's and sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and sub-funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
-

Companies Act 2014 exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

A handwritten signature in grey ink that reads 'Patricia Johnston'.

Patricia Johnston
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
14 December 2021

VERITAS FUNDS PLC

Annual Depositary Report to the Shareholders

We have enquired into the conduct of Veritas Funds plc (“the Company”) for the year ended 30 September 2021, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (“the UCITS Regulations”), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

(i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Memorandum and Articles of Association and the appropriate regulations, and

(ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations, and

(ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.



Brown Brothers Harriman Trustee Services (Ireland) Limited
30 Herbert Street
Dublin 2
Ireland

14 December 2021

VERITAS ASIAN FUND / VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT

The Asian markets and especially Chinese related stocks saw a difficult second half of the year with the MSCI China falling significantly driven by China regulatory concerns over the technology and education sectors. In addition, investors were worried about the potential regulatory concerns on Hong Kong property and Macau casinos. The performance of a number of our holdings especially in India and the environmental sector mitigated the fall.

China's common prosperity: The history of "common prosperity"

The concept of "common prosperity" in China is not new. Since the establishment of the People's Republic of China in 1949, different generations of leaders have viewed common prosperity as the ultimate goal. The words common prosperity or "共同富裕" are frequently used by Chairman Mao, Deng Xiaoping and more recently Xi Jinping. Deng Xiaoping articulated numerous statements on the concept of common prosperity including the following:

- October 1985 (speaking to US trade representatives): "We can allow some places and some people to become rich first; those who become rich first can help the others and eventually achieve common prosperity".
一部分地区、一部分人可以先富起来,然后帮助其他地区、其他的人,逐步达到共同富裕。
- August 1986 (speech in Tianjin): "My proposal is to let some places and some people to become rich, but the broad principle is for common prosperity. One segment of the area developing faster to foster the remaining area. This will help speed up development to achieve common prosperity".
我的主张是,让一部分人、一部分地区先富起来,然后带动其他地区和人民共同富裕。一部分地区发展快一点,带动大部分地区,这是加速发展、达到共同富裕的捷径。
- Early 1992 in his famous Southern tour: "The essence of socialism is to liberate the productive forces, develop the productive forces, eliminate exploitation, eliminate polarisation, to finally achieve *common prosperity*."
"社会主义的本质,是解放生产力,发展生产力,消灭剥削,消除两极分化,最终达到共同富裕。"

Deng Xiaoping's policies are widely credited for the successful restructuring of the Chinese economy which had brought prosperity to the nation. He placed a stronger policy priority on growth and efficiency, i.e., "making the pie bigger" was more important than "dividing the pie evenly". The "iron bowl" was taken away with the state-owned enterprises (SOE) reform in the 1990s, replaced by various forms of non-state sectors including individual-owned company, township and village enterprises, private enterprises, joint-stock enterprises and foreign companies. These segments developed rapidly and overtook state-owned enterprises to become the major source of growth, employment, taxation, and innovations. Inequality became acceptable in the early stage of development under the Chinese socialist growth model with Chinese characteristics.

Common prosperity is not a new theme...

The policy shift started to happen under the leadership of President Hu Jintao. President Hu proposed a people-oriented scientific development concept, promised to build a "harmonious society" (an inclusive model of development) where the entrepreneurs should not become rich at the expense of the workers and farmers. The policy started to shift towards a balance between efficiency and equality and support for vulnerable groups, most notably the removal of agricultural tax in 2006, the revision of Labour Law in 2009, and the establishment of social security system.

VERITAS ASIAN FUND / VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT
(CONTINUED)

The concept of common prosperity has been strengthened under the leadership of President Xi Jinping.

- The 18th Party Congress in 2012, Chaired by President Xi Jinping stated that China should stick to "the path of common prosperity", which is "the fundamental principle of socialism with Chinese characteristic".
- The "Decision on Several Major Issues of Comprehensively Deepening Reform", the 2013 reform blueprint of the Third Plenum, specified ways to achieve common prosperity. They include supporting labour income growth, pushing for more equal basic public services, reforming the income distribution system
- through tax reform, social protection enhancement, and transfer payment, expanding the size of middle-income population, and narrowing the regional, rural-urban and sectoral income gaps. The decision also called for multiple channels to increase household property income and encouraging a big role from charity donations.
- In 2014, the CPC National Congress adopted a decision to advance the rule of law: to develop effective institutional arrangements to ensure steady progress towards common prosperity.
- The 13th Five Year Plan (FYP) in 2016 implemented some specific measures to further the objective of common prosperity, including reducing poverty, expanding the coverage of pension and health insurance and reforming personal income tax and consumption tax.

...But its importance has increased in the 14th FYP

In 2018-2020, the government launched a three-year campaign with three priority tasks: poverty reduction, environment protection and risk prevention. The 19th Party Congress in 2020 set out China's long-term development plan to become an advanced modern economy by 2050 after the country has achieved "moderately prosperous society in all respects". China is to make "solid progress" towards common prosperity by 2035 and "basically achieve" common prosperity by 2050. This means a more equal society with better social welfare as the country becomes richer and more advanced. President Xi emphasized in a January 2021 speech that common prosperity is not just an economic objective, but also about the Party's "governing foundation". That said, the top leadership has repeatedly emphasized that common prosperity is not egalitarianism and is an objective that will be achieved in multiple phases over time, and through experiences from regional pilot programs. In line with this long-term plan, the 14th FYP (2021-2025) called for the formulation of an action plan to facilitate common prosperity, highlighting the increased emphasis on the theme and imploring various governments to roll out accompanying policy measures.

What does common prosperity mean?

Common prosperity, along with "green development" and "innovations", will become prominent themes under the high-quality development strategy going forward. Common prosperity aims to address imbalances as specified in the principal contradictions facing the Chinese society, including regional imbalances, imbalances between urban and rural areas, income, and wealth inequality. The 10th Meeting of the Central Committee for Financial and Economic Affairs (CFEAC) elaborated on the concept as follows.

VERITAS ASIAN FUND / VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT
(CONTINUED)

- Common prosperity means prosperity for all people, not prosperity for a small group of people.
- Common prosperity will be achieved in stages; it does not mean uniform egalitarianism.
- Common prosperity not only means reduced income inequality, but more broadly equal opportunity and improved social welfare, including education, healthcare, and employment opportunities.
- Common prosperity does not mean a crackdown on non-state sectors. China will stick to the economic system with the public ownership as the main body and coexistence of multiple ownerships. Some people can become rich first and subsequently help others. The government will protect income and wealth derived from hard work, law-abiding businesses, and innovations.
- Common prosperity means that China will strengthen social welfare schemes but does not mean China will shift to the welfare economy system.
- Common prosperity means a balance between efficiency and equality, and a coordination of roles between the government and the market.

What does common prosperity hope to achieve?

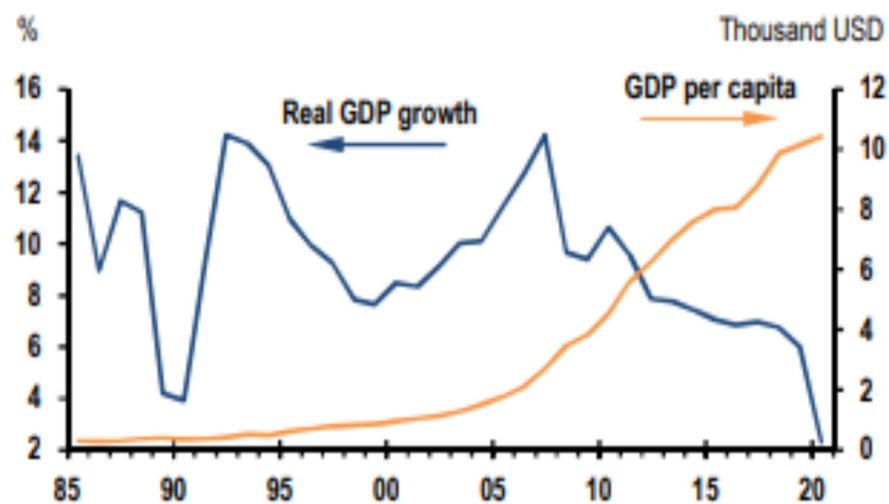
Common prosperity is a continuation of structural transformation in the past decade. The emphasis on common prosperity, or a balance between efficiency and equality, comes after decades of high growth and China's ascendance into the group of high middle-income countries. China's GDP per capita has surpassed US\$10,000 since 2019 and is expected to exceed US\$12,000 this year. The policy shift started under President Hu's terms especially after the 2008 Global Financial Crisis. In many areas, the emphasis on common prosperity is a continuation of economic transformation in China over the past decade.

- First, potential growth slowed down, and the government lowered the high growth targets to "medium to high" and emphasized on the quality of growth in recent years.
- Second, 2010 was the turning point for the declining trend of labour income and household consumption (as % of GDP). This was in line with the economic transformation towards a consumption-driven growth model. The 19th Party Congress explicitly guided that labour income growth should be in line with GDP growth and wage increases should be in line with labour productivity increases.
- Third, income and wealth inequality deteriorated since the 1980s, but started to stabilize and improve modestly over the past decade. At the national level, disposable income of the high-income group (top 20%) is about 10 times of the low-income group (bottom 20%), and in urban areas the ratio is approximately 6 times. According to Premier Li, while disposable income per capita exceeded 30,000 yuan in 2019, about 600 million people (42.5% of total population) in China had disposable income below 12,000 yuan per year.

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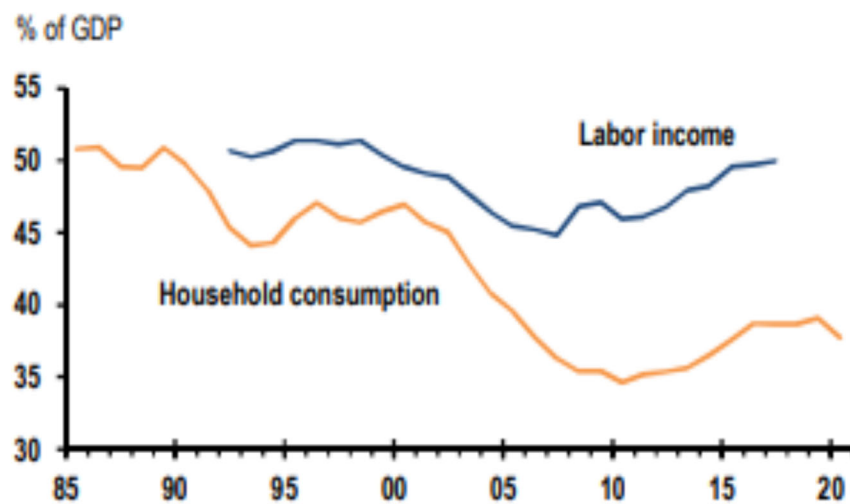
INVESTMENT MANAGER'S REPORT
(CONTINUED)

China's economic growth and GDP per capita



Source: NBS, CEIC; J.P. Morgan

Labour income and household consumption



Source: CEIC; J.P. Morgan

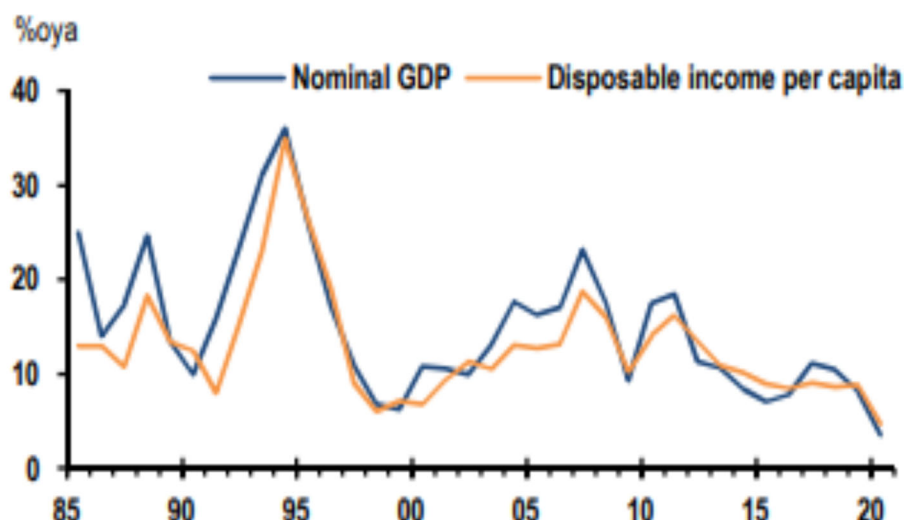
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Gini coefficient is one of the most popular indicators to assess inequality. According to the Standard World Income Inequality Database (SWIID) provided by the World Bank, China's Gini coefficient before tax and transfer was 0.46 in 2015, and the Gini coefficient after tax and transfer was 0.402. The Gini coefficient reported by the NBS peaked in 2009 at 0.491 and then declined modestly to 0.465 in 2019. World Inequality Database (WID) reported that the share of income of top 10% households rose from 27.9% in 1980 to 41.7% in 2015 (peaking at 43.1% in 2011), while the share of income of bottom 50% households declined from 25.0% in 1980 to 14.4% in 2015 (bottom at 13.8% in 2010). The People's Bank of China Household survey in 2020 reported that top 10% households held 47.5% of total household assets, compared to 2.6% for bottom 20% households. Among all surveys, the China Household Finance Survey (CHFS) reported the most significant income inequality for China. The CHFS survey in 2010 reported a Gini coefficient of 0.61 in 2010, and the wealthiest 10% of Chinese households held 60.6% of total household assets.

- Fourthly, the past decade also witnessed a remarkable expansion in China's social security system. The number of insured people under the pension system rose from 360 million in 2010 to around 1 billion in 2020, and the coverage of medical insurance rose from 433 million person in 2010 to 1.36 billion in 2020.

Income growth vs. GDP growth in China

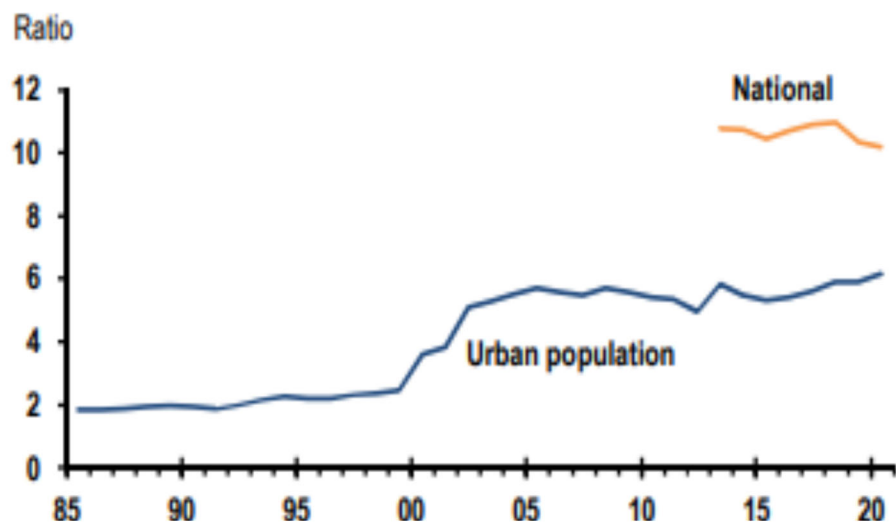


Source: NBS, CEIC; J.P. Morgan

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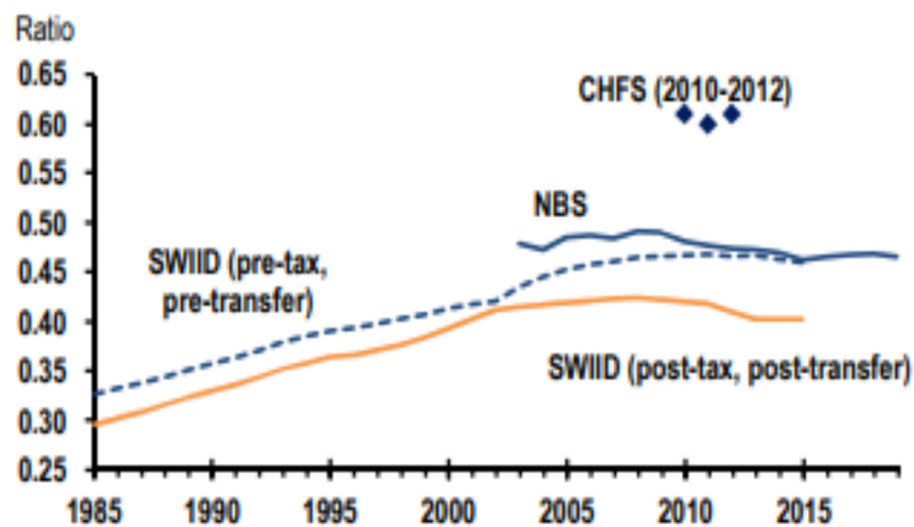
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Disposable Income ratio between high and low-income



Source: CEIC; J.P. Morgan

China's Gini coefficients

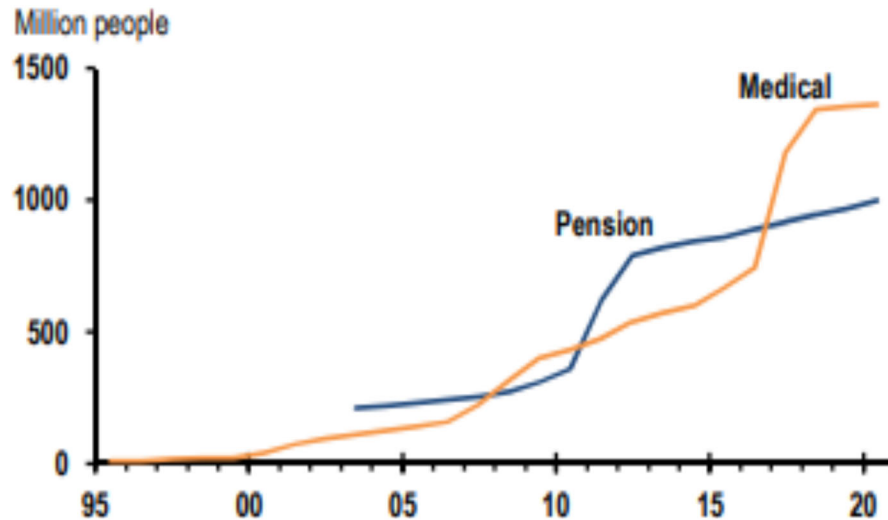


Source: NBS; CHFS; Standard World Inequality Database (SWIID); J.P. Morgan

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Number of insured person under social security in China



Source: CEIC; J.P. Morgan

Three myths on 'common prosperity'

Myth 1: The catchphrase signals an abrupt policy shift that will bring short-term shocks.

The phrase seems to have caused shock waves globally, but it is not new. Deng used it frequently and Hu started the process after the Global Financial Crisis to focus more on equality. President Xi used it in 2012, and again on many occasions during signature keynote speeches that China would "make concrete steps towards common prosperity". The phrase has appeared more frequently since late last year, in multiple documents of the Communist Party of China (CPC) proposals for formulating the 14th Five-Year Plan (Nov 2020), the government work report (Mar 2021), the Politburo meeting communique (Apr 2021) and President Xi's speech at 100th anniversary of the CPC (Jul 2021). The government had also released plans for the Zhejiang pilot program in July 2021.

Meanwhile, any policy changes are likely to be gradual. "Common prosperity" is a target to be reached in three decades, according to Xi's 2017 speech, and the blueprint to achieve such a goal is yet to be formulated. The government will draft a roadmap towards achieving "common prosperity" during the 14th FYP period (2021-25). The government also indicated a gradual, long-term approach. "We must make gradual and orderly progress, and be fully aware of the long-term, arduous and complex nature of common prosperity," read the CFEAC meeting communique.

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Myth 2: The government is going to redistribute wealth in a random manner

The CFEAC pledged to "reasonably adjust excessively high income, encourage high-income individuals and businesses to return to the society," triggering concerns of a hostile approach towards the wealthy. However, the CFEAC also clarified that common prosperity is "not a uniform egalitarianism, and we shall promote common prosperity in stages." Common prosperity does not mean "equally wealthy, simultaneously wealthy, or equalizing the rich and the poor, or killing the rich to help the poor," said Yuan Jiajun, the Party Secretary of Zhejiang province who is in charge of the pilot program.

Most official statements so far emphasize boosting overall income and expanding the middle-income group, instead of merely redistributing existing wealth. As such, the "common prosperity" is a step up from the decades-long poverty alleviation project, after the CPC announced a victory in eradicating extreme poverty last year. The government aims to further support low-income individuals and allow them to move up the income ladder, primarily by creating higher-paying jobs, offering more equal social services and increasing upward mobility, as the Zhejiang roadmap shows.

Myth 3: The government is going to crack down on the private sector.

The phrase common prosperity also triggered concerns about a crackdown on private businesses, seen as the biggest beneficiary of Deng's "let some get rich first" philosophy. Investors are also pondering whether the recent regulation tightening on technology and education sectors will lead to broader restrictions. The Zhejiang pilot program roadmap suggests the opposite. The State Council's suggestions for Zhejiang stated it should protect private properties and "break barriers of private businesses' development." The province pledged to create an optimal environment for private businesses, so they can be "assured and bold" in achieving economic outcome, according to the pilot program plans for 2021-25. In addition, China's 14th FYP also pledged to optimize the environment for private business.

We do not think the government will launch a broad crackdown on private businesses, given the government is unlikely to strangle the most nimble, efficient and innovative part of the economy when it aims to double the GDP by 2035. The government repeatedly emphasized reaching a balance between efficiency and fairness in the 14th FYP, including the CFEAC statement and Zhejiang roadmap. After all, private businesses contribute to over 50% of tax revenue, 60% of GDP, 70% of innovation and 80% of employment, and are recognized as a crucial player in achieving common prosperity in the documents.

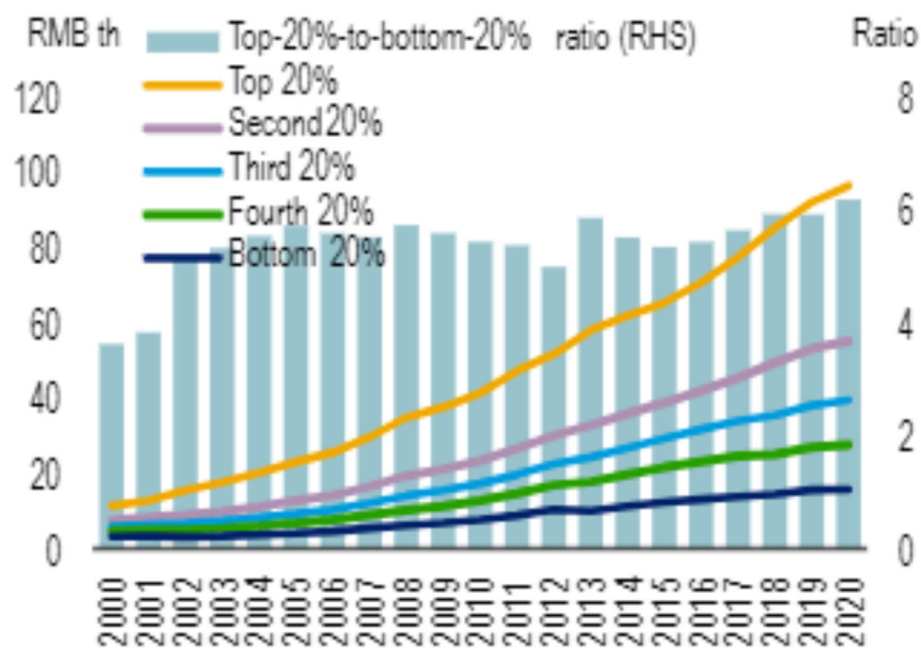
That said, businesses may still face an increase in labour and regulatory cost in the long term, given the government (in 14th FYP and Zhejiang roadmap) plans to (1) design a mechanism to adjust minimum wages, and encourage collective bargain for wages; (2) improve social security coverage; and (3) curb monopoly and unfair competition.

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Per-Capita urban disposable income by income group

The gap between the top and bottom earners is still expanding



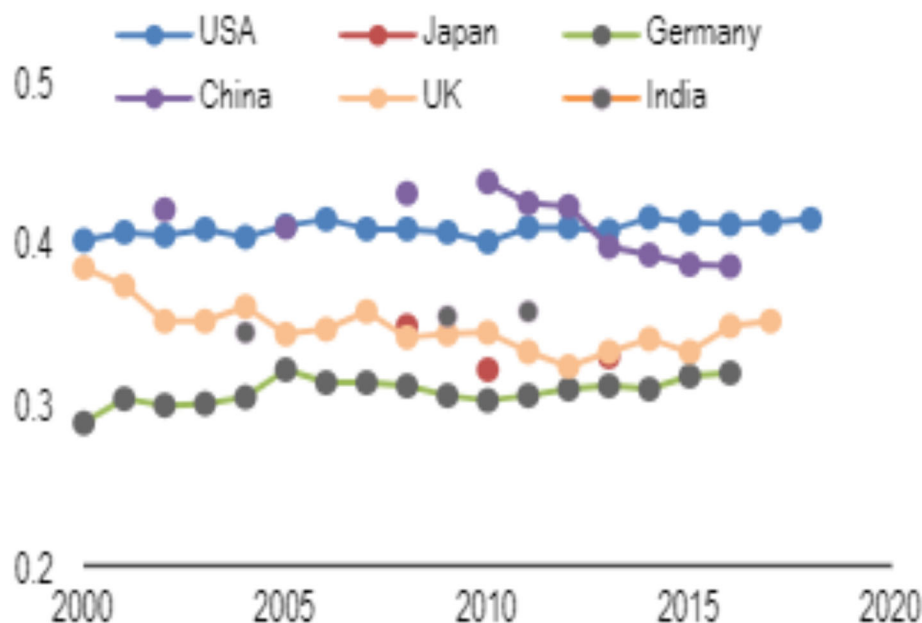
Source: CEIC; NBS

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Gini co-efficient of China vs. other major economies

China's income equality is relatively high among major economies



Source: World Bank, BofA Global Research

Possible impact of new policies

The statement from the 10th meeting of the CFEAC laid out policy directions to achieve common prosperity. Earlier in June, the State Council announced Zhejiang province as a demonstration zone to build common prosperity. In the blueprint of Zhejiang government, the following objectives should be achieved by 2025:

- i. GDP per capita will reach 130,000 yuan (vs. 100,620 yuan in 2020) and disposable income per capita will reach 75,000 yuan (vs. 52,397 yuan in 2020).
- ii. reduce income inequality and regional inequality: the ratio between maximum and minimum GDP per capita across regions will fall below 2.1 (vs. 2.28 in 2019) and the ratio between urban and rural area household income should fall below 1.9 (vs. 1.96 in 2020).
- iii. expansion of middle-income families: 80% of households will have disposable income between 100,000 and 500,000 yuan and 45% of households will have disposable income between 200,000 and 600,000 yuan.
- iv. improvement in public services and social welfare system, including education, healthcare, elderly care, housing and support for poor families.
- v. build up a civilized society in economic, political, spiritual, social and ecological aspects.

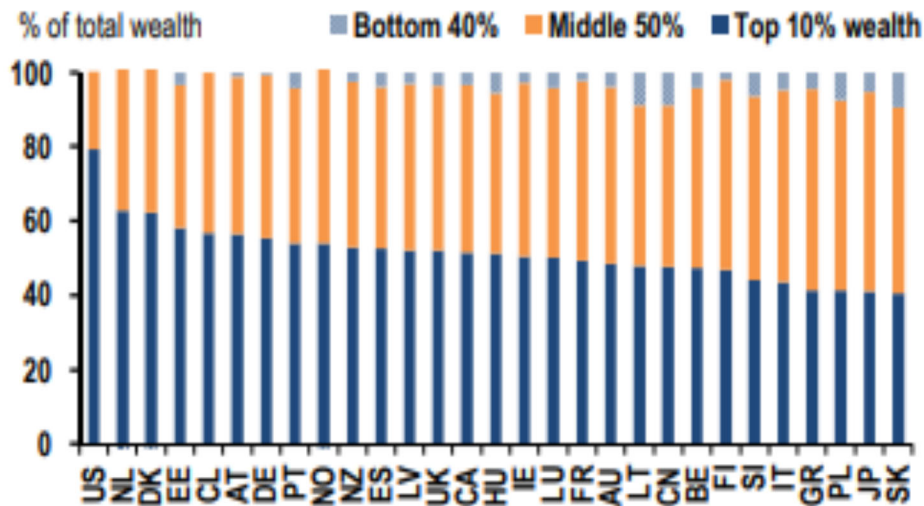
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Looking at the Zhejiang “common prosperity model”, the objective to achieve common prosperity will have the following policy implications.

- **Impact on Growth.** First of all, reasonably high growth remains an important element of high-quality growth. While the government has de-emphasized the importance of growth target in recent years, they are not abandoned. “Medium-to-high” growth rates, e.g., 5-6% growth in the 14th Five Year Plan, may represent a comfortable range of growth for the government and in line with the 2035 target to double the GDP. While “dividing the pie more evenly” is becoming more important, “making the pie bigger” remains an important pre-condition to fulfil the long-term development objective.
- **Impact on wealth inequality.** Reducing income and wealth inequality is a key element in “common prosperity”. Policy measures can be adopted via primary income distribution, secondary re-distribution and tertiary distribution channels. Primary distribution refers to the distribution of income over the production factors (labour, capital). In China’s case, increasing the share of labour income (as % of GDP) and reducing income gaps between urban and rural areas and across regions and sectors are natural policy objectives. Re-distribution (also known as secondary distribution) refers to the process of income and wealth redistribution through the government, typically via taxation, transfer and subsidies. Tertiary distribution refers to charity donation on a voluntary basis, in many countries supported by government incentive schemes (e.g. tax deductible for donation).

Wealth distribution in OECD countries and China

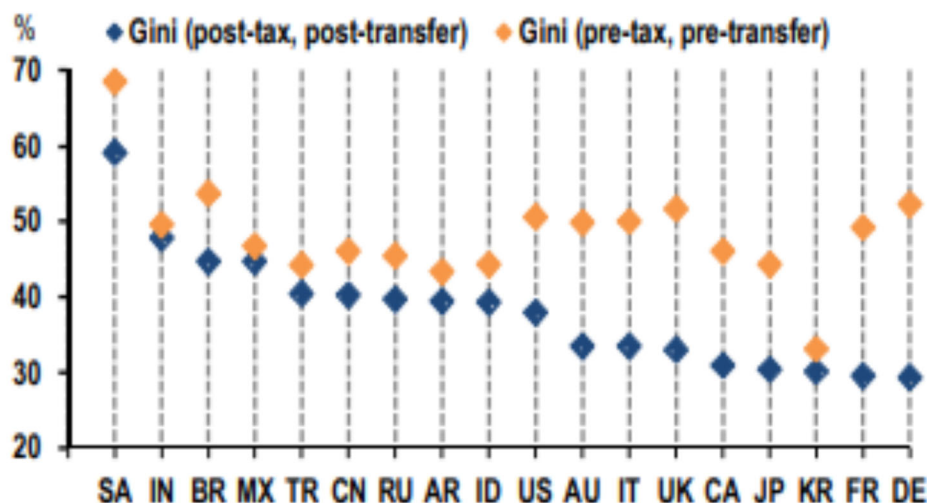


Source: OECD Wealth Database; PBOC; J.P. Morgan

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Gini coefficients in G20 economies



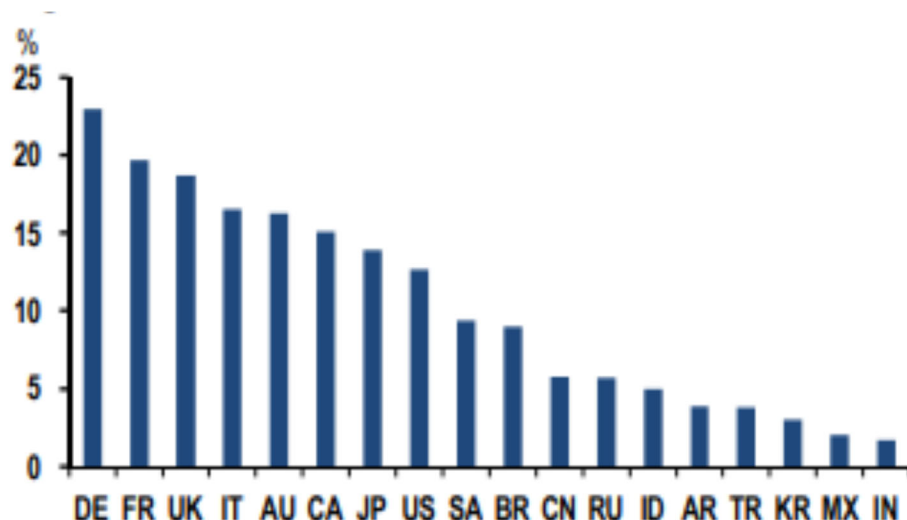
Source: Standard World Income Inequality Database (SWIID); J.P. Morgan

- Reducing Gini coefficient like the developed countries.** The policies will likely focus on the improvement in taxes, subsidies and insurance schemes. From a cross-country comparison perspective, China has the room to reduce income inequality via primary and re-distribution channels. The World Bank data showed that China's income inequality *before* tax and transfer (after primary income distribution) ranked 50th among the 90 reported countries in 2015, and income inequality *after* tax and transfer (after re-distribution) ranked 30th. Re-distribution policies are able to significantly reduce the income inequality, e.g. a reduction of 0.23 in Gini coefficient in Germany and 0.20 in France. China's re-distribution policy reduced the Gini coefficient by 0.058, vs. an average reduction of 0.103 among G20 economies.

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Reduction in Gini coefficients via tax and transfer



Source: Standard World Income Inequality Database (SWIID); J.P. Morgan

- **Environmental, social and corporate governance (ESG) will become increasingly important in China.** Beyond equality, the government will also prioritise the development of an inclusive development model and build up an equal opportunity society. Policies will respond to major social problems or concerns, e.g., the housing policy (housing is for living, not for speculation), health care policy (more affordable healthcare) and recent education policy shock (to reduce the education burden for children and parents). For Chinese companies, it implies increasing importance of the new social pillar under China's ESG framework. The policy will focus on protection of consumer welfare and workers' rights, and companies (both SOEs and non-SOEs) will be encouraged to balance profit-making with social responsibility.

USA example: from gilded age to progressive era

In the USA, the Gilded Age was an era coined by Mark Twain in his 1873 novel "The Gilded Age: A Tale of Today" that occurred during the late 19th century, which coincided with the Belle Epoque era in France. The Gilded Age was an era of extremely rapid growth as railways, mining, heavy industry factories and finance lead that growth. The first Transcontinental Railroad opened in 1869 and cut travel time from New York to San Francisco to six days instead of six months, and railroad track mileage tripled between 1860 and 1880 and then doubled again by 1920. Investors in London and Paris poured money through the American financial market centred in Wall Street to buy these new growth industries. Great technology and financial breakthroughs happened at this period led by entrepreneurs George Westinghouse, JP Morgan, Andrew Carnegie, Theodore Vail (ATT), and Thomas Edison. Despite this era of strong growth and great prosperity, this period was called the Gilded Age, not Golden Age, as Princeton University historian Nell Irvin Painter explains "Gilded is not golden. Gilded has the sense of a patina covering something else. It's the shiny exterior and the rot underneath."

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The unequal wealth distribution was high during this period. From 1860 to 1900, the wealthiest 2% of American household controlled more than a third of the nation's wealth, the top 10% owned roughly three quarters of the wealth, and the bottom 40% had no wealth at all. In terms of property, the wealthiest 1% owned 51% whilst the bottom 44% owned a mere 1.1%. One of the best-remembered excesses of the Gilded Age is the flaunting of great wealth, as epitomised by the great lavish costume Bradley-Martin ball held in New York Waldorf Hotel in 1897 which cost US\$400,000 (estimated to be US\$9.7m in today's money) where socialites dressed as kings and queens. The ball drew massive criticism for its extravagance and excess.

Disturbed by the waste, inefficiency, corruption and injustices of the Gilded Age, President Theodore Roosevelt, leader of the Progressive movement, championed the "Square Deal" which has three major goals: conservation of natural resources, control of corporations and consumer protection, or the 3Cs. It is also during this Progressive Era that significant changes including the imposition of an income tax with the Sixteenth Amendment in 1909, the Federal Reserve in 1913, the Federal Trade Commission in 1914 and the Federal Employees Compensation Act in 1916 were implemented. One major event during the Progressive era was the implementation of the Sherman Antitrust Act that eventually resulted in the ending of the oil monopoly Standard Oil in 1911. The Progressive Era was one of general prosperity, reform of schools, rise of the middle class, emergence of philanthropy led by Carnegie and Rockefeller and embracing of science and technology.

Conclusion

China in the 1980s was one of the poorest countries in the world. Since the launch of the economic reforms in the late 70s, about 800m Chinese people have been lifted out of poverty which is unprecedented in human history. Despite this success, there are still 600m Chinese who earn about 1,000 yuan (US\$141) per capita a month, according to Chinese Premier Li Keqiang. Although their income is above the poverty line, they can hardly live a decent life. Their lives remain difficult, and they can only maintain a basic living and can hardly afford rental in a mid-size city. Among the 600m low-income population, 36.2% are in the central provinces and 34.8% in western regions.

Despite China's status as an upper middle-income country of per capita GDP exceeding US\$10,000, as well as the largest consumer of luxury goods globally, there is a widening wealth gap, which is a side effect due to uneven development over the past 40 years. China is like the Gilded Age of the USA in the late 1800s, where its huge prosperity and display of ostentatious wealth has hidden the size of China's vulnerable population. In the long term, China's success in building a prosperous society where wealth is shared by more people will make society more stable. And this rise of a large educated middle class will lead to greater consumption power in China. From an investment point of view, this can be quite positive for the longer term despite the short-term misgivings of investors fearing the uncertainty. We believe that investing in China is changing. Companies who ruthlessly exploit its workers and who disregard their social responsibilities are unlikely to do well in the new era. The brutal unbridled capitalism of the previous decades is no longer tolerated by the people and government. It's interesting to see South Korea is following China's lead in looking at the work practices of its own internet companies. In Asia, the winners of the future are likely to be companies that not just work for their shareholders but for all stakeholders including their workers and the society at large.

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Asia and Sustainability

Another topical issue to discuss is sustainability. According to OECD data, in the 21st century, after a sustained period of rapid growth, Asia has grown to become the largest regional economy, with 37.8 per cent of global GDP, followed by North America with 26.5 per cent and Europe with 24.8 per cent. Asia's rapid economic growth coupled with a rising population has adversely affected the environment through air pollution, sea pollution, waste management problems and increased greenhouse gas (GHG) emissions. The International Energy Agency (IEA) reports that carbon dioxide (CO₂) emissions from fuel combustion in Asia increased by 124.2 per cent between 2000 and 2018. As a result, Asia currently accounts for 54.7 per cent of global CO₂ emissions from fuel combustion; far more than North America's 16.4 per cent share and Europe's 15.3 per cent. Unprecedented material and financial damage resulting from climate-related natural disasters in recent years within the region has raised concern over climate change. As a result, Asian governments have prioritized climate action, including the green transition and adaptation. Each country's national commitment to comprehensive climate action and the target for the mitigation of GHG emissions towards 2030 can be seen in the Nationally Determined Contributions (NDCs), which countries are obliged to monitor and submit to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) every five years. Asian countries have also attempted to align their development strategies with the UN Sustainable Development Goals (SDGs). The SDG Index, in Sustainable Development Report 2020, which tracks country performance on the 17 SDGs (with the worst rating at 0 and the best at 100) suggests that Asian countries overall are performing poorly on the SDGs. In Asia, South Korea is in 20th place, Thailand at 41st, China in 48th, and India in 117th place. Asia's emerging economies are struggling to cope with the dilemma of balancing policies aimed at boosting their economies with their commitments to GHG emissions and SDGs. All this against a backdrop of the West demanding more action having benefitted from the industrial revolution (the UK has destroyed 50% of its biodiversity in the process).

A common challenge across many countries in Asia is the high dependency on coal for energy. According to an IEA report during 2020, 67% of electricity generation in China relies on coal. For India, it is 75%.

The figure for China was 70% in 2015 so the trend has been down. The COVID-19 crisis has sharpened challenges such as coal dependency. The key policy issues are whether governments can develop and implement financial recovery programmes while also meeting their commitments under the Paris Agreement and the SDGs.

According to the Global Climate Risk Index 2020, seven Asian countries (Myanmar, the Philippines, Pakistan, Vietnam, Bangladesh, Thailand and Nepal) are identified among the 10 nations most affected by climate risk from 1999 to 2018. Currently there is great variation regarding how well-equipped countries are to tackle climate change within and across Asia. Examples of commitments made are as follows;

China: To achieve peak CO₂ emissions around 2030 and make best efforts to peak early. To lower CO₂ emissions per unit of GDP by between 60% and 65% by 2030 from the 2005 level. To be carbon-neutral by 2060.

India: To reduce the emissions intensity of its GDP by between 33% and 35% by 2030 from the 2005 level. No current carbon-neutral policy. Cannot currently commit to peak by 2030.

South Korea: A 24.4% reduction from the total national GHG emissions in 2017 by 2030. To be carbon-neutral by 2050.

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Australia: To reduce greenhouse gas emissions by 26 to 28 per cent below 2005 levels by 2030. This target is a floor on Australia's ambition. Australia is aiming to overachieve on this target, and newly released emissions projections show Australia is on track to meet and beat its 2030 target without relying on past overachievement. No current 2050 carbon - neutral commitment (2060+)

The **ASEAN5** (Indonesia, Malaysia, Philippines, Thailand, Vietnam) have adopted a two-fold approach to meet their emissions goals through a combination of unconditional and conditional targets. The five countries insist that they can achieve these ambitious targets so long as there is international support. Using Thailand as an example, the targets are as follows;

Unconditional: 20% reduction from the Business-As-Usual level by 2030.

Conditional: 25% reduction from the BAU level by 2030 including an additional 5% reduction compared to unconditional target. No commitment to carbon neutral by 2050.

China, has expressed intentions to try to reach the peak earlier and has implemented coal-targeting measures including a coal consumption cap for coal-fired generation capacity. Furthermore, new efficiency standards have forced a number of its old plants to shut down and the country is to stop investing in coal plants outside of China. The next step is to see how China incorporates its carbon-neutral targets in the country's new five-year plan for the period 2021–25.

The carbon-neutral commitments by China, South Korea (and Japan, who have also committed to carbon neutrality by 2050) may change the direction of progress and help solve the trade-off between economic stimulus policies and the green transition which a report by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) shows had not gone far enough before these commitments had been made.

At the country level across the region, the breakdown of policy actions aimed at achieving targets includes a move to diversify the energy mix with an accelerated shift to renewable energy, promotion of eco-friendly vehicles and other measures to improve energy efficiency.

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In addition to the respective efforts by each government, differing regional networks in Asia are trying to address the concern of climate change and sustainability. These include;

- Tripartite Environment Ministers Meeting (TEMM) between China, Japan and South Korea with knowledge-sharing, joint research and workshops on priority areas such as air pollution, biodiversity, climate change, the circular economy. TEMM is currently working closely under a five-year joint action plan (2020–24).
- The Association of Southeast Asian Nations (ASEAN) has broadened its remit to cover a broad range of sustainability issues including the SDGs, national security, cybersecurity and the green economy.
- The Regional Comprehensive Economic Partnership (RCEP), a trade partnership signed between ASEAN, Japan, China, S. Korea, Australia and New Zealand discussing regional cooperation.
- China's Belt and Road Initiative (BRI), a campaign to promote Chinese investment around the world while at the same time better connecting China with Africa and Europe, through a series of maritime and land routes. Given the degree of investment in new infrastructure linked to the BRI, it will have significant climate change implications.
- ASEAN Power Grid initiative whereby 10 ASEAN member states are aiming to integrate their respective power grids through cross-border transmission lines

In 2020, the carbon-neutral declarations by China, and South Korea have helped to produce a visible shift in momentum in Asia. Already with continuous government promotion of renewable energy, the International Renewable Agency suggests that by 2025 the average levelised cost of electricity (LCOE) of solar photovoltaics (PV) used in solar panels could decrease by 59 per cent, and the LCOE of concentrating solar power (CSP) could decrease by up to 43 per cent. There could also be decreases in cost of onshore and offshore wind power, which could decline by 26 per cent and 35 per cent, respectively. This would enable renewable options to become more competitive than conventional energy and result in further shifts away from government subsidies.

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Promotion of Environmental efforts

We, at Veritas are committed to helping to promote good environmental practice amongst the companies within which we invest on behalf of our clients. Climate change in its widest definition poses one of the biggest risks and opportunities for companies globally. For many years one of the themes within the portfolio has been Green Asia. At the time of writing, over 20% of the portfolio is invested in companies that benefit from the growing importance of this theme. A previous essay highlighted the solar energy market and the investments within the portfolio. As noted above a combination of greater climate commitment and technological advance in renewable energy, battery technology etc will offer opportunity. Valuation is critical to long term value creation, and any climate solution company exposure may shift up and down over time but we would expect more quality companies, run by forward thinking management to become part of the solution. Additionally, on behalf of our clients we are encouraging investee companies to disclose their environmental commitments in line with the Taskforce for Climate-related Financial Disclosure (TCFD) guidelines. This will take time and maybe more effective by targeting a few companies initially. Over the last few weeks we have started a process of formally contacting companies to ask about their own targets, strategy, scenario testing and commitments to science based measurement. We will then have a better idea of a starting point as to how the portfolio is positioned and which companies need to be further encouraged to make changes. Over time, it will then be possible for clients to follow improvements. Going forward we will illustrate where companies are positioned and which areas need improving. Below we start with two investee companies at differing starting points. Annually we will provide a summary of the overall position within the fund.

Goodman Group, is an Australian company holding which owns, develops and manages modern, high quality industrial and logistics space and warehousing globally and customers include the likes of Amazon. It has been a beneficiary of the acceleration in e-commerce. 2021 was the year that Goodman achieved carbon neutrality for its global operations, four years ahead of its 2025 target. In markets where it is challenging to procure renewable energy, Goodman will consider options such as direct power purchase agreements or green energy certificate schemes.

Goodman engaged climate consultants South Pole to provide support in completing a scenario-based climate risk assessment aligned with the TCFD guidelines. Overall, five key climate hazards (increasing temperatures and heatwaves, extreme precipitation events, windstorms, hailstorms and sea-level rise) were identified as being material and recommended for inclusion in the scenario risk assessment. These hazards were analysed under three different climate scenarios or Representative Concentration Pathways (RCPs), and across two-time horizons (mid-term up to 2050 and a long-term up to 2100). The scenarios chosen for the physical risk assessment are a business-as-usual scenario (RCP8.5), a medium mitigation scenario (RCP4.5) and a strong mitigation scenario (RCP2.6), which respectively correspond to a 4.6°C, 2.6°C and 1.7°C global warming trajectory.

Goodman is looking to maximise the availability of large, flat roof areas suitable for installation of solar PV systems. They increased the target of solar PV capacity installed on rooftops to 400MW globally by 2025. They are also looking to maintain carbon neutral operations and looking to start to developing carbon neutral buildings. Currently Goodman Group has not signed up to the Science Based Initiative but it is independently certified by Climate Active, an Australian government backed body that award certification to companies that have attained carbon neutrality. We expect new builds to be increasingly carbon neutral and will monitor this progress.

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In 2021, Indian company **Apollo Hospitals** conducted its first materiality assessment of identified ESG issues. Within this analysis, though the Company has identified climate change as one of the key ESG issues, it has currently placed more importance on other issues such as quality of service and patient safety, affordability and accessibility of healthcare and human capital management. This is somewhat understandable as affordable health and accessibility is a key SDG. Apollo Hospitals is also currently concentrating its efforts to ensure compliance with the new requirements of the Business Responsibility and Sustainability Report (BRSR) in India, which will become mandatory for the financial year 2022/23. Compared to the existing requirements of the Business Responsibility Report (BRR), the BRSR has introduced a significant number of new requirements and expanded the scope of ESG issues covered.

Apollo Hospitals is fully aware of the devastating effects of climate change, the urgency of climate action as well as the impacts that Apollo Hospitals' business has on the environment, including its carbon footprint. However, at this stage, the Company has not set any GHG emission reduction targets or explicitly committed to meeting carbon neutrality by 2050. The company did tell us that it does intend to disclose its carbon footprint (Scope 1 and 2 GHG emissions) in 2023 at the latest, and the reduction targets and the Company's long-term climate action ambition will be set accordingly after further analyses.

Disappointingly the company deliberated internally whether to submit responses to CDP's climate change survey and concluded not to submit a response to CDP's request for information in 2021 based on an internal cost-benefit analysis and there not being sufficient time to collect relevant data and answer the adequate number of questions on the questionnaire for this year. However, it did note an increasing overlap with the requirements of the new BRSR and committed to looking at the disclosure requirements again for 2022. One of the issues is that none of Apollo Hospitals peers submit CPD reports and as yet none has taken the lead. Again maybe not too surprising given India as a nation has yet to commit to carbon neutrality. We will continue to encourage the company to start disclosing climate credentials.

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INVESTMENT MANAGER'S REPORT

The Outside View

In normal times, interest rates are set by market forces and represent the price of money, which is then used to measure investment risk and determine the present value of estimated future cash flows. However, since the Global Financial Crisis this price has become distorted as policy makers around the world have held their collective thumbs on the monetary scales to keep the cost of money artificially low. As these policy makers are well aware, interest rates power everything in the financial world. Holding interest rates artificially low undoubtedly leads to excessive risk taking as investors who previously relied on safe interest income need to invest in higher risk assets to maintain the same level of return.

After more than a decade of policy makers determining the price of money (which they have effectively set at zero) it seems that investors have become increasingly disorientated with many (high growth) companies' valuations becoming dissociated from reality. One indication of this is how many investors now value companies not based on fundamentals but instead on "total addressable market" and "pro-forma" long run margin estimates. What they seem to miss in this work is how exceptional (based on historical examples) these companies would be if their forecasts prove correct. This is particularly the case in technological areas where rapid development increases the risk of a better solution being adopted and the existing technology thereby facing obsolescence within the long-time horizon demanded by extreme valuations.

To illustrate just how exceptional these companies' results would need to be to justify an investment let's use a software company that currently has a c.\$90bn market capitalization and similar enterprise value. In FY2021 this company delivered just under \$600m of revenue to put the company on an historic Enterprise Value / Sales valuation of almost 150x. The company is growing very fast (c.100% currently), has a large addressable market and has a common size P&L that looks like this:

	<i>FY 2021</i>
<i>Revenue</i>	<i>100%</i>
<i>Cost of Goods Sold</i>	<i>(41%)</i>
<i>Gross Profit</i>	<i>59%</i>
<i>Selling, General & Administrative Expenses (not including Stock Based Compensation)</i>	<i>(60%)</i>
<i>Stock Based Compensation</i>	<i>(51%)</i>
<i>R&D</i>	<i>(40%)</i>
<i>Operating Profit</i>	<i>(92%)</i>

To own shares in this c.\$90bn company, we can work back from a point in the future when we believe it might be in a steady state (i.e. making a consistent profit that we can value) to see what assumptions you need to believe to hold it. Let's first off assume that as an investor you want to earn 10% pa in this investment and are prepared to hold for 10 years. This means the market capitalisation in 10 years' time would need to be c.\$235bn. If we assume it is then more mature and so can be valued at a multiple of earnings, say 30x (implying it is still growing fairly rapidly), what does that mean for growth? Well, to work this out we need to make some simplifying assumptions. Let's assume that in 10 years the company has:

Gross margin: 80% of revenue (vs less than 60% now and historically)
Selling, general & administrative expenses: 30% of revenue (vs 60% now)
R&D: 10% of revenue (vs 40% now)
Stock based compensation: 20% of revenue (vs >50% now)
Tax rate: 20%

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These assumptions seem fairly generous in that they assume a company that currently makes a substantial loss almost equivalent to its entire revenue will transition to an operating profit margin of 20% (post stock-based compensation) over 10 years. If this can be achieved and we value the resulting earnings at 30x, earnings would need to be c.\$8bn (\$235bn / 30) in 10 years. This means pre-tax profit of c.\$10bn and therefore annual revenue of \$50bn at a 20% operating profit margin. In 10 years. From c.\$600m today. That works out at 56% compound annual growth rate (CAGR) in revenues for the next 10 years. Can that be achieved? Before we answer that, let's consider some relevant academic work:

Daniel Kahneman in his (fabulous) book "Thinking Fast and Slow" talks about the Inside View and the Outside View. The inside view is best thought of as specific to the case in hand where forecasts are made using the specific circumstances and evidence from the forecaster's own experience. It is the approach most forecasters stumble onto. The external view on the other hand seeks broader external evidence not necessarily specific to the exact situation but instead more statistically rigorous due to a larger data set, such as base rates. The outside view is rarely the default way forecasters look at a specific situation but according to Kahneman is a better way of forecasting when there are "unknown unknowns" involved (pretty much everything involving the future then!). Kahneman's work was subsequently strongly endorsed by Philip Tetlock in his superb book "Superforecasting" in which he demonstrates that "super-forecasters" use the outside view much more heavily than average forecasters.

So what is the base rate for publicly traded companies with revenues of >\$500m to compound those revenues by >55% over 10 years without material mergers and acquisitions? The answer to this is that there has only been 1 company that has achieved this in the last 22 years: Facebook. This goes to show just how rare such high growth is. Maybe this analysis is too harsh and we should use a lower starting revenue to account for inflation? If we use at least \$100m as the starting revenue then 9 publicly traded companies¹ have achieved >55% CAGR during the 22 year period (again excluding those that achieved it by material acquisitions such as China Evergrande). 9 out of the many, many thousands of companies with revenue above \$100m. The base rate goes to show how difficult compounding at such high rates for long period is and perhaps how demanding the assumptions built into the valuations of some tech companies have become. Now maybe the investors in this tech company would argue a different case. Fair enough. But give me your assumptions. Maybe the company will be valued at 50x earnings in 10 years, or stock-based comp will have been greatly reduced but these assumptions seem aggressive to us, and undoubtedly leave little margin for error in the forecast.

This is one example, and it is possible that this specific company will go on to achieve growth rates above the assumptions laid out. However, there are many publicly traded companies in the technology sphere that are being valued similarly with very high required growth rates over long periods that seem unlikely to be achieved in the context of a base rate. Not all trees grow to the sky.

Implications for the portfolio

At Veritas we focus on buying companies that are competitively advantaged and available at attractive valuations. Two we have held for long periods in the portfolio are **Alphabet** and **Charter** and they represent two of our largest positions.

¹ Tesla, Alphabet, Facebook, Blackberry, Baidu, Tencent, T-Mobile, Luxshare Precision Industry, Bharti Airtel

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Our original investment in **Charter** was actually an investment into Time Warner Cable in March 2015 which was subsequently acquired by Charter (to get hold of both the assets and the remarkable management team). Our thesis was (and remains) very simple – cable companies invested huge amounts in connecting homes with co-axial cable in the 1990s and 2000s that has serendipitously proven to be an excellent infrastructure for distributing broadband. This puts the cable companies in a competitively advantaged position as the investment in the infrastructure has largely been made (and fully depreciated) and the growth in broadband is therefore a new, large and incremental revenue stream. To meaningfully compete against the cable companies any competitor would need to invest in fiber optic cable to every house which is hugely expensive. Furthermore, with (largely) cheap software upgrades the cable companies' coaxial cable can be upgraded such that upload and download speeds can be comparable to fiber optic cable.

The opportunity to invest arose because many investors were unimpressed by the overall revenue growth of the cable companies. This superficial analysis missed an important point: while the cable companies were losing video subscribers (to the likes of Netflix) they were gaining more broadband subscribers. At the revenue line this looked largely awash with revenue growth running around mid-single digit. However, what this missed was the huge difference in profitability between a video subscriber and a broadband subscriber. Cable companies are distributors of content in video and therefore need to pay for that content. A typical video subscriber may generate \$90 per month of revenue but the content cost of this subscriber will be c.\$60 leaving a gross margin of only \$30. This gross margin then needs to cover high customer equipment costs (much higher for video than for broadband) and servicing that customer leaving an operating profit per subscriber of only c.\$10 per month. A broadband subscriber on the other hand is likely paying upwards of \$60 per month but has no content cost associated with them so gross margin is \$60. The equipment is also cheaper as is the servicing requirement so the operating profit per broadband sub is multiples of the video subscriber. This math's meant that despite fairly pedestrian overall revenue growth, earnings growth would be much higher (c.20% pa). At that cash flow level this growth would be augmented further as the capital intensity of the of the network declined (as a percentage of revenues) due to a shift to a more passive and lower maintenance network configuration (including more fibre optic cable). At the per share level, Charter further turbocharged growth by aggressively using their free cash flow to buy back shares, reducing the number outstanding by almost one third from our original purchase in 2015 from 314m to c.210m currently. This has resulted in a compound growth rate in free cash flow of 26% over our holding period.

Looking forward we remain confident in the opportunities still ahead for Charter. Broadband growth will continue with the company having only around 50% of houses subscribed to its service in the areas it operates. Given their economic lead (the infrastructure is already there) and the (medium-term) pathway to deliver 10Gb symmetrical service offering, we think they will continue to win customers from all but fiber optic cable and even here, they are well positioned given the infrastructure cost to lay fiber. Outside of broadband there are two further exciting areas of growth together with the continuing drag of "cord-cutting" of video subscribers. We believe that "cord-cutting" will remain manageable for the company as it has in the past despite the success of Netflix / YouTube / Amazon Prime / Disney+ etc. The growth areas are in commercial customers and mobile. In commercial customers the cable companies have historically not competed well against the telco incumbents but this is now changing as they prove that they can deliver both on the infrastructure requirements but also on the service levels required.

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However, it is in the mobile arena that the greatest gains might accrue - the mobile market in the US is approximately double the earnings before interest, taxes, depreciation, and amortization (EBITDA) pool of the cable companies (c.\$80bn vs c.\$40bn). This is a huge market that Charter (and the other cable companies) can attack and once again, they seem to be serendipitously well placed. Charter and Comcast (another large cable company) have a multiple virtual network operator (MVNO) agreement with Verizon which allows them to piggy back off the Verizon network and thereby offer a full mobile service. However, most mobile usage is data and most of this is done over Wi-Fi. Here the cable companies have a huge advantage with a massive existing Wi-Fi network. Furthermore, they can cherry-pick the areas where they are offloading the most data / calls to Verizon and invest solely in those geographic areas using the latest technology (5G over mid band spectrum most likely). This will reduce the amount they need to pay to Verizon under the terms of their MVNO agreement. As a result of this, the cable companies might prove to be highly disruptive in the mobile industry, pricing their product well below that of the incumbents but at the same time generating a profit (and importantly increasing customer loyalty in broadband). The recent announcement from Charter reducing prices substantially (and well below the incumbents) underpins our confidence in this thesis. Significant success is not built into our models with an expectation of only modest earnings from mobile by 2026 but it is an area that we could well prove to be unduly pessimistic. Even absent success in mobile, Charter still seems good value. With continued growth in broadband subscribers (and some modest pricing benefits), improving capital intensity and continued share buy backs we estimate 2025 free cash flow per share around \$70. Valuing the company on a forward multiple of 15x FCF gives an internal rate of return (IRR) of over 12%.

Alphabet is another long-standing holding – we first invested in Alphabet (parent company of Google) in June 2010. Whilst the company is known for Search, Android and YouTube, its primary method of revenue generation is advertising. When we initiated the investment, the company traded c.13x 2011 ex-cash earnings. Since that point both revenues and net income have risen at an impressive 23% CAGR. The market cap has increased at a 25% CAGR. This in itself is an interesting counterpoint to current technology valuations and embedded expectations. Around the time of investment, the market had concerns regarding the transition from Google's then dominant desktop search business to mobile. One of the issues was during the transition, pricing was far lower on mobile formats. This gave rise to a concern that pricing was getting impacted and mobile was going to eat the lunch of desktop. Google simultaneously faced an existential threat as to whether it would be as strong in the mobile world and Bing had recently launched. In hindsight investors at the time missed 3 points. One was simply the low penetration of online advertising, where Google has dominant market share, which in 2010 was \$68bn, 14% of the \$475bn global advertising market. Today, that figure stands at \$457bn, some 61% of the global advertising market of c.\$750bn. The second was the ubiquity of mobile phone usage driven by location, utility, personalisation and preference changes in consumption (e.g. YouTube) culminating in a better product for advertisers, which Google could price for.

The third was Google's position in the ecosystem as a gateway for intention, which continues to drive network effects. Whilst this all seems obvious today, it wasn't at the time. However, even with many unknowns you were not having to pay to take that risk, you simply needed to ask whether the business was sustainable. Google in 2010 was a classic 'fallen angel' and it should remind us that even the best companies can face doubt and scrutiny ("The Everything Store", charting the rise of Amazon, is instructive on this). Finally, as an investor, it highlights the continuing importance of patience (opportunities will arise), perspective based on facts (outside view) and a focus on the long term.

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Alphabet maintains material competitive advantages and opportunity a decade later. One of the key aspects of Google's importance is the utility it provides for users. This is hugely understated. However, it can be measurable e.g. consumers being able to ascertain better price transparency or using Google Maps to find a location. It could even be free online guitar lessons on YouTube. The business model largely relies on advertising funding but the benefit/utility to users is significant. The second consideration is intention. Users go to Google when they have a need. Arguably, you share more information about intention with Google than any human. These factors remain enduring and highly valuable to its users. In terms of maintaining this position Google has both a competitive barrier and competitive strength. The competitive barrier is the network effect of search and honing of the algorithms. More data processed produces a more finely tuned algorithm which in turn drives better results and more usage. This is extremely hard to compete against, 'as good' on a product which is deemed free to the user simply isn't good enough. Competitor Bing speaks to the difficulty - it has been in business for 12 years and in 2010 had 3% market share, whilst this has grown over a decade it still resides at c.7%. Whilst this is a barrier, Google implicitly has a significant strength that is not widely articulated - agility. The company, given its scale and platform, can deploy new products or innovations in hours and get statistically relevant information on success or failure of its own product. It can alter or rescind in rapid time. This ability is extremely rare - think of how easily a manufacturing process can be altered and tested - it would take months at best.

Alphabet continues to have opportunities to deliver profitable growth, and this has been exhibited in its 2yr growth CAGR of 23% in high margin search/network revenues, which is its most mature business. It is driven in part by greater and better personalisation that should continue to reflect in pricing (given higher return on advertising spend) and significant parts of the economy that still aren't digitised (e.g. e-commerce is still only <20% of retail sales in the US). YouTube (growing at a 40% 2yr CAGR), which has taken share from traditional TV viewership whilst also being able to personalise advertising, unlike traditional formats. Over and above the core search business, the company has also invested heavily in its cloud business, autonomous driving and artificial intelligence using profit dollars generated in its core and redeploying them. AI in particular has potentially significant opportunities, where Alphabet is in a leadership position, but at present monetisation is nebulous (it will likely feature in its cloud business). Whilst different in context, there are parallels to 2010 in terms of asking what is being priced in? At present the company trades at 24x ex-cash earnings, but operating profit is impinged by c.10% on investments in Cloud and Other Bets which likely have positive value - effectively this places the core business on <22x, assuming no real positive value for those businesses. Alphabet has the ability to deliver mid-teens revenue and operating profit growth into the medium term which does not look expensive in absolute terms, or especially in the context of the S&P trading at 19x. We would argue given the market opportunity, the inherent competitive strengths of the business, better cost execution and the option value of some other newer businesses that this remains a compelling long-term investment.

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT

“Only when the tide goes out do you discover who's been swimming naked.”

Warren Buffett

The St. Petersburg paradox was introduced by Nicolaus Bernoulli in 1713 and imagines a coin toss game where a fair coin is flipped until it comes up heads for the first time. At that point the player wins \$2ⁿ (where n is the number of times tails was flipped before the first heads). While intuition suggests this game does not have a particularly high expected monetary value to the player, the reality is it is extremely valuable (and calculates as having infinite value). The reason for this apparent contradiction is that a single play of the game is unlikely to yield a high payoff and indeed there is a 50% chance you toss heads straight away and get nothing. If, however, you play the game enough times then at some point you can expect a long string of tails, and the power of compounding, with a doubling of value every flip, quickly becomes apparent. Ten tails in a row and the pay out is \$1024, 20 tails and it is a \$1m, 30 tails is \$1bn. How much would you pay to play, and conversely how much would you charge to be the banker and underwrite the game?

The potential for a catastrophic loss makes the danger of this game to the underwriter immediately apparent, and yet we frequently see different versions being played out in the investment world, with the most vivid example in recent memory being the sale of credit default swaps (CDSs) on mortgage bonds during the 2008 credit crisis:

“Greg Lippmann watched his counterparts at Goldman Sachs find and exploit someone else’s willingness to sell huge amounts of cheap insurance on subprime mortgage bonds, and almost immediately guessed the seller’s identity: AIG was now selling credit default swaps [insurance] on subprime bonds for a mere 0.12 percent a year. It was incredible: in exchange for a few million bucks a year, this insurance company was taking the very real risk that \$20bn would simply go poof.”

Michael Lewis “The Big Short”

One of the most important aspects of our job is to make sure we avoid taking risks for which we are insufficiently compensated. However, the benefit of this prudence may not always be immediately obvious. In his seminal book, “Fooled by Randomness”, Nassim Taleb reminds us that strategies that work within a given cycle may not be the best for long run success through and across cycles. That is to say that strategies like selling CDSs on subprime mortgages, using excess leverage, buying profitless concept stocks and participating in speculative bubbles may be optically rewarding in the short term, but extremely destructive to wealth in the long term.

Through this lens, the Chinese property and construction markets have been concerning for a number of years but are yet to suffer the kind of severe downturn we suspect is inevitable after such a prolonged period of excess. During Q321 concerns about China Evergrande, the World’s most indebted property developer, bubbled up into mainstream consciousness (again!). While the £304bn of gross liabilities on Evergrande’s balance sheet are eye watering, we have little doubt that the Chinese government has the wherewithal to brush this under the carpet and keep the cycle going if it so chooses. Nevertheless, this event provides an important reminder of the scale and importance of the Chinese property market and the extent of the property bubble. As famed short seller Jim Chanos points out in the FT “There are lots of Evergrande’s out there in China but this just happens to be one of the biggest. All of the developers look like this. The whole Chinese property market is on stilts.” So while there is little doubt that China can deal with the solvency of a single developer, there are very significant questions about whether it can deflate and constrain a sector that directly and indirectly contributes greater than 20% of the country’s GDP, without severely negative repercussions.

VERITAS GLOBAL EQUITY INCOME FUND

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The numbers are massive and hard to fathom. According to Rhodium Group, a consultancy cited in the WSJ, “We estimate existing but unsold housing inventory is in the range of 3bn square metres, which is enough to house 30m families, conservatively. The average size of a household in China is just over three people, giving enough space for over 90m people.” Our statistic of choice is steel consumption where China has produced as much steel in the last 5 years as the United States has in the last 50. At 1.4bn people the Chinese population is 4.2x as great as the US at 330m but the level of installed steel per capita in the economy is rapidly catching up, and at the current rate of consumption will exceed the US in the next 6 years or so. Chinese GDP per capita is approximately 20% the size of the US. This rate of consumption cannot carry on forever. We don’t know when it ends, or how, but that when the music stops playing the repercussions will be widely felt and many fortunes lost.

Vivendi

While we try to avoid cyclical and speculative booms that go bust, we are attracted to already depressed end markets and situations where excessive pessimism has taken hold. We are similarly attracted to capital allocators who exploit these capital cycle dynamics to the betterment of their businesses and shareholders. When we made our investment in Vivendi in Q120 our thesis was predicated on the attractiveness of its primary asset Universal Music Group (UMG), but also the benefits we foresaw from being invested alongside Vincent Bollore. With the spin out of 60% of UMG to Vivendi shareholders in September we now have pureplay exposure to both aspects of the original Vivendi thesis.

Universal Music Group itself is a story of countercyclical capital allocation. During the early stages of the transition from physical music sales to what we now know as streaming, the music industry struggled to find an economic business model that could compete with piracy. Recorded music revenues collapsed from \$23.6bn in 2001 to \$14bn at the nadir in 2014, and record label profits were decimated. Under the stewardship of Sir Lucien Grange, who remains the CEO of UMG today, UMG took the opportunity to consolidate the industry buying up distressed players who were labouring under unmanageable debt loads and becoming forced sellers at what turned out to be the bottom, most famously EMI. The company were not only buying scale, but also an irreplicable catalogue of music copyright.

By 2014, at the dawn of the streaming era, UMG, Warner and Sony controlled 80% of recorded music sales with UMG having amassed 35% market share. No music streaming service could exist without UMG and their immense catalogue of must have content, affording them tremendous bargaining power. Similarly, new artists are extremely unlikely to “make it” without the marketing, investment, and distribution wherewithal of a major label. As Spotify in particular started to gain traction with consumers it became evident to industry participants that the tide was turning and that labels were particularly well placed. John Malone and Masayoshi Son both made unsolicited approaches to Vivendi in the 2012/13 period, offering to buy the UMG asset for \$8-10bn. Without Bollore’s ownership we believe Vivendi shareholders would likely have seen this prize asset sold out from under them on the cheap. Instead, long term shareholders have benefited from the appreciation in value of UMG to \$50bn today as well as a share count that has shrunk by 15% as Vivendi has sold off non-core assets and bought back its stock cheaply.

With the spin out in September, investors can now appraise UMG separately from Vivendi and value it accordingly. At the current market price, UMG standalone trades meaningfully in excess of the value that was placed on the entirety of Vivendi, including its ownership of UMG, when we initiated our position. While we continue to view UMG as a superior business, with excellent prospects and yielding an internal rate of return (IRR) sufficiently attractive to maintain a position in the fund, we do not think it is the bargain it once was when buried in the Vivendi conglomerate. The Vivendi rump is a different matter.

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT
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In 1981 Vincent Bollore repurchased his bankrupt family business from Edmond de Rothschild for one franc and from these beginnings compounded book value per share at 13%. Today the Bollore holding company has a market value of EUR14.6bn. He is an outstanding capital allocator and operator as opposed to a purely financial investor. He is particularly adept at exploiting deeply undervalued, complex situations which can be simplified and improved over time. He profoundly understands the benefit of depressed valuations when one has the opportunity to buy back, or buy more stock at a discount. There is no doubt that Vincent Bollore was acutely aware of how UMG would be positively appraised by the market on a standalone basis but also how the Vivendi rump would likely suffer once it was left with only the 10% residual stake in UMG that it still owns today, post spin.

Residual Vivendi is a complex jumble of seemingly un-related and difficult to value assets. The company has net cash of EUR 1.5 per share and the 10% stake in UMG is currently valued at EUR 4.4 per share. There are EUR 4.5 per share of other minority holdings in businesses such as Telcom Italia and Lagardere. The main operating assets are Canal+ the leading French Pay-TV business with dominant and lucrative market positions across French speaking Africa and ex colonies, Havas a mid-sized advertising agency, and Editis a book publishing business. Together, these operating assets are worth in the region of EUR 8 per share.

Putting it altogether, we have a net asset value of approximately EUR 18 vs a current market price of EUR 11, and of this EUR 11, EUR 5.9 is explained by net cash and UMG. There are multiple ways in which this special situation could play out but under most scenarios the IRR is attractive. Bollore will most likely seek to magnify the available upside by using the proceeds from asset sales and leverage to buy back stock at a substantial discount to NAV.

There are classic spin out dynamics at work here, with investors neglecting the complex and hard to value rump. There is also distrust of Bollore given the opacity with which he operates. There is no doubt in our mind that he will exploit willing sellers of Vivendi stock to the advantage of those shareholders that choose to remain, but there is very little evidence he has ever abused patient minority shareholders. Indeed, shareholders have typically done well investing alongside Bollore and minorities have typically been treated advantageously often to the detriment of his own interests.

Performance

We closed the year with a dividend that fell 3.6% below 2020 levels in Sterling but was up 7% and 3.5% in \$ and EUR respectively. As of Sept 30th the running yield on the fund equated to 3.1% and for comparison the yield currently available from the MSCI World Index is 1.66%. Given the difficult economic environment over the last 18 months we are happy with this outcome particularly given the improvement in the characteristics and quality made to the portfolio through this period.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT

China: Another black cat, white cat moment

"It doesn't matter if a cat is black or white, so long as it catches mice."

Deng Xiaoping, 1961

"The profit motive acts as the basic engine of private interest, moving both finance and production capital. The social interests, incarnate in government and the various organizations of civil society, are constantly trying to shape the conditions of growth and the distribution of its toils and of its fruits."

Carlota Perez, 'Technological Revolutions and Financial Capital: The Dynamics of Bubbles and Golden Ages'

Context

In previous essays, there has been discussions regarding India and how the country has firmly moved its economic and political system into a more inclusive system of governance (compared to the extractive system that existed in the past). With the events of late in China, the ostensible contrast with India couldn't be starker. China seems to be asserting authoritarian policies that scream 'extractive' at first glance. Mention China to group of investors, and 'is it investable' is likely the first question that comes up.

The drumbeats of regulation have been building in China for years culminating in the suspension of the IPO of Ant Financial late last year and the fines imposed on Alibaba a few months later. The scrutiny on data security followed, exemplified by Didi's troubles (and followed by the Chinese government's influence on ByteDance at the board level). Online games have been compared to opium. And the most draconian measure of them all pertained to the Chinese after-school tutoring industry which was relegated to being a non-profit with one fell swoop. Older debates on the longevity of the VIE¹ structure have resurfaced, as have concerns around the sustainability of China's long-term growth exemplified by the leverage concerns at Evergrande. The market has responded swiftly, re-weighting the probabilities of long-term cash flows of industries ranging from consumer internet to staples.

There are two questions to our mind that frame the debate: are Chinese policies rational and sensible; and are the 'micro' impacts on companies and industries reasonably analysable on a case-by-case basis. Having given this some thought and having conducted a post-mortem on our failed investment in New Oriental (the Chinese after-school tutoring company), our view is that the direction of governance and policy is largely (but not entirely) rational and that specific companies and assets in China are investable. The Chinese Internet companies we hold –which have been in the forefront of scrutiny – seem capable of withstanding this storm with better climes over the next 5+ years. There is much blood on the street, and on balance, amid the sound of cannons, we think there is opportunity and have deployed capital selectively into companies in China that we think are 'distinctive and durable' where valuations now offer a margin of safety.

Chinese pragmatism

The first question is whether the policies are rational and sensible. A popular framing of the policy question in China is whether the political system is capitalist or communist or 'capitalism with Chinese characteristics.' This misses the point (and all nuance). It appears to us that the better framing of the debate is whether China is pragmatic.

¹ Variable Interest Entity: a 'synthetic' structure which allows participation in the equity of Chinese on-shore entities without actual ownership of the on-shore assets in China. China does not allow actual foreign ownership and control in most of its industries. The structure allows Chinese companies to access to Western capital without giving up control and influence to off-shore shareholders.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT
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Our reading of the policy documents available in the public domain is that what the Chinese government is trying to do is largely rational and sensible, viz.: focus on consumption growth (and avoiding the 'middle income trap'), fair competition, fair treatment of 'gig workers' (which has resulted in hundreds of millions of people getting better insurance protection and pay), data security, primary research into the basic sciences and a focus on next-generation areas like renewable energy and artificial intelligence. All of this strikes us as entirely logical and aligned with positive long-term outcomes for the country.²

What 'common prosperity' seems to be designed to achieve is to enshrine some of the very debates being had in the West. Centerstage among these is income and wealth inequality; but so too are questions on how Internet companies should be regulated to promote fairer competition and how consumer data should be protected. Except for the very significant difference that China's political system moves quickly (seemingly overnight), the underlying principles and objectives don't seem to be all that different to what is being considered by the rest of the world.

There is also an implicit and strong social contract between those in power and the Chinese people. One of the reasons the Chinese people seem to have confidence in the leadership of the Chinese Communist Party is simply because the effect on their lives and livelihood has been transformational over the last few decades. It seems illogical to expect that even with the recent actions (which have generally been aligned with better outcomes for the population), China will abolish the very system of pragmatism that has driven the incredible economic improvements and standards of living in the past.

Nothing enshrines this profound pragmatism than Deng Xiaoping's words in 1961: "It doesn't matter if a cat is black or white, so long as it catches mice." Six decades later, China finds itself in another black cat/white cat moment.

Micro-analysis

The second question for active fundamental investors like us is whether individual companies and industries in China can be analysed to a reasonable degree to gain conviction in their prospects. This is a 'microeconomic' question and is case-by-case for each company we analyse. We are neither starry-eyed perma-bulls nor hardened perma-bears and don't really believe in reductive questions like 'is the China growth story is over?' The world is far too complex to use dangerously simplifying assumptions and this is more so in China than elsewhere. We aim to stay rational and respond to facts as logically as we can. In fact, the fund has been designed since inception to avoid taking one-sided stances like these – investors will recall that we can (and do) own companies listed in both emerging and developed markets. We are not benchmark aware and do not feel the pressure to own companies in certain countries (including China) just because of their weights in commonly followed market indices. In fact, we are prepared to own no companies whatsoever in China.

² We recommend reading the translated document entitled 'Proposal of the Central Committee of the Chinese Communist Party on Drawing Up the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2030.' There are 60 (approved) proposals in total spanning a wide range of areas. We humbly submit that had it been written by the government of UK or Singapore, it would have been received as being largely rational and sensible and hardly controversial.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT
(CONTINUED)

Which brings us to an important distinction: we don't think of buying 'China' (the country) but about buying individual companies run by able management who are listed in China or have a difficult to replicate presence there. We are aware of the many challenges ahead – the two most prominent being aging population (which has a long-term impact on economic growth) and the leverage in the system including in real estate. Our holdings in China are put together entirely bottom-up in a case-by-case manner. For every individual company, we look for bright prospects in terms of distinctiveness (business quality: does it have a competitive advantage that clears the 'build vs. buy hurdle') and duration (runway for growth and longevity). Our belief is that over the very long term, the micro overwhelms the macro (though in the short term, it is the exact opposite).

Potential aftershocks

It is worth mentioning that we have been considering the impact of regulation on Chinese companies for several years now, well before it became a popular conversation topic in the mainstream. Investors may recall that we wrote in the summer of '20 re: Tencent that "a social network as dominant as this, with a richness of data unsurpassed in scale and scope operating in a centrally planned economy like China, will sooner or later invite some form of regulation." In fact, our initial assessment on Tencent, Alibaba and Facebook, was that "the sources of pessimism ascribed by the market can most rationally be explained by regulatory risks (as discussed above) and a threat to the longevity of these platforms (duration of above-normal returns or the competitive advantage period)." We judged the risks to be manageable and thought we were being compensated by the attractive margin of safety in the price.

Fast forward to today and a key aspect to consider looking forward is whether Chinese entrepreneurship is dead and whether the dynamism of Chinese companies is a thing of the past. This is a profound question and is entirely 'micro.' Based on our observations of companies operating in the country, what global multi-nationals have spoken about in terms of their lived experience and the long history of entrepreneurship in China (including Chinese diaspora internationally), we would hazard a guess that the hunger and drive of able management teams to leave a mark on the world will remain uninhibited, irrespective of regulation or taxation. This has been as true in the US as it is in China. We find it hard to believe that the next generation of Mark Zuckerberg's and Jack Ma's will suddenly stop working hard just because of regulatory or tax interventions by the government.

The effects might not unilaterally be negative either for the affected industries, like Internet businesses. There is a likely capital cycle that could be put in motion allowing the larger Internet companies to be advantaged both as capital suppliers as well as the incumbents. Let us not forget that the incumbents have the requisite cash flows to reinvest into their ecosystems as well as offer better pay and benefits to employees and other stakeholders – which we regard as a form of regulatory take. While we are not explicitly expecting a major benefit due to capital retrenchment, it is not beyond the realm of possibility.

China is also integrated with global supply chains and manufacturing and there is no close substitute for this physical capital investment at the scale and sophistication that is equivalent to what China offers. This means that the most plausible scenario is that China will remain accessible and integrated into the global markets (esp. given the renminbi is not internationalized like the US dollar). The logical incentives are strong and the alternatives simply not feasible from a Chinese perspective.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT
(CONTINUED)

This naturally raises the question of how well foreign capital will be treated. There is certainly a risk of opaqueness here, given the precedence set by the draconian interventions in the Chinese after-school tutoring space (which was deemed non-profit overnight), however despite our grave misjudgement here, we think that there was no evidence here of ill-will towards foreign capital per se. The maligned VIE structure favours Chinese companies since it is set up in a way that there is an asymmetry that allows Chinese companies to access outside capital without giving up control; and there is no logical incentive for China to abrogate this. This is not to say it will never happen or that we know how or when it might happen, but simply that the incentives (and hence odds) favour the structure to remain in place. This is especially more so as China is now a prominent player in the world stage with large capitalization companies rivalling any in Europe or the US.

This is not to say there is no risk at all – there is certainly significant opaqueness in how the policies, governance and regulations are set and implemented. And the speed at which this is done is unlike anything developed market participants are used to (where there is usually a prolonged ‘consultation’ period with stakeholders as well as case law and judicial recourse). We are keenly risk-aware and look for the lowest possible risk (business quality, management quality and position sizing where appropriate with the added advantage that we do not need to hold any Chinese companies at all if we think the risks are too high). This is an area of risk we are prepared to accept when investing in China, given the other factors discussed about.

Closing thoughts

It is a cliché to say that China is different – but that doesn’t make it untrue. China is indeed a very large and very complex country with a socio-economic system of governance that is unique compared to anything in the developed markets of the West – both in its scale of influence as well as in its demonstrable success to the Chinese people over the last few decades. We do not think anyone (certainly not us!) can forecast with precision what exactly future policies could mean, what circumstances in the Chinese Communist Party they would be conceived under, or to how exactly the future will unfold.

Our analysis of the observable facts (as opposed to breathless, sensationalist and reductive commentary in the press) suggests that China is just being pragmatic and responding to the same questions that the rest of the world is grappling with. If the facts change, we are prepared to change our mind but for the moment, we believe that selective investments in high quality companies in China remains a rational and attractive proposition and on balance, the current environment of panic presents an opportunity for long-term minded investors. The sound of cannons is deafening.

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (85.38%) (September 2020: 89.57%)			
Australia (8.15%) (September 2020: 16.28%)			
3,018,431	Afterpay Ltd.	264,608,826	3.22
565,000	Cochlear Ltd.	89,902,346	1.09
759,759	CSL Ltd.	160,903,358	1.96
9,855,000	Goodman Group	154,299,046	1.88
		669,713,576	8.15
China (30.24%) (September 2020: 44.08%)			
3,315,026	Alibaba Group Holding Ltd.	60,575,935	0.74
18,224,539	Centre Testing International Group Co. Ltd.	71,568,166	0.87
13,079,000	Country Garden Services Holdings Co. Ltd.	103,242,220	1.26
6,812,112	Guangzhou Kingmed Diagnostics Group Co. Ltd.	108,097,684	1.32
3,999,982	Hangzhou First Applied Material Co. Ltd.	78,583,470	0.96
27,670,000	Jinxin Fertility Group Ltd.	41,195,853	0.50
7,420,000	JW Cayman Therapeutics Co. Ltd.	14,240,178	0.17
1,244,256	Kweichow Moutai Co. Ltd.	352,803,641	4.30
15,319,667	LONGi Green Energy Technology Co. Ltd.	195,768,444	2.38
11,310,130	Midea Group Co. Ltd.	121,959,792	1.48
29,806,511	Shenzhen Inovance Technology Co. Ltd.	291,045,293	3.54
14,439,507	Sungrow Power Supply Co. Ltd.	331,981,135	4.05
2,791,700	Tencent Holdings Ltd.	165,501,281	2.01
7,365,530	WuXi AppTec Co. Ltd.	174,386,398	2.12
9,295,000	Wuxi Biologics Cayman, Inc.	150,983,378	1.84
20,499,706	Wuxi Lead Intelligent Equipment Co. Ltd.	221,783,696	2.70
		2,483,716,564	30.24
Hong Kong (Nil) (September 2020: 2.62%)			
India (22.63%) (September 2020: 11.19%)			
3,824,329	Apollo Hospitals Enterprise Ltd.	230,899,772	2.81
2,500,000	Asian Paints Ltd.	109,280,590	1.33
17,964,500	HDFC Bank Ltd.	386,008,949	4.70
6,500,000	Hindustan Unilever Ltd.	236,592,907	2.88
1,271,012	Info Edge India Ltd.	110,126,120	1.34
8,500,000	Kotak Mahindra Bank Ltd.	229,655,451	2.80
9,833,981	Max Healthcare Institute Ltd.	47,634,743	0.58
396,187	Nestle India Ltd.	103,790,026	1.26

VERITAS FUNDS PLC

VERITAS ASIAN FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (85.38%) (September 2020: 89.57%) (continued)			
India (22.63%) (September 2020: 11.19%) (continued)			
3,000,000	Reliance Industries Ltd.	101,818,733	1.24
4,133,071	Tata Consultancy Services Ltd.	210,226,886	2.56
3,200,000	Titan Co. Ltd.	93,198,882	1.13
		1,859,233,059	22.63
Singapore (4.21%) (September 2020: 1.54%)			
1,084,716	Sea Ltd.	345,677,295	4.21
		345,677,295	4.21
South Korea (13.09%) (September 2020: 6.30%)			
1,000,000	Coupang, Inc.	27,855,000	0.34
471,700	LG Chem Ltd.	309,353,927	3.77
7,520,000	Samsung Electronics Co. Ltd.	470,952,703	5.73
440,000	Samsung SDI Co. Ltd.	267,010,135	3.25
		1,075,171,765	13.09
Taiwan (7.06%) (September 2020: 5.19%)			
27,822,100	Taiwan Semiconductor Manufacturing Co. Ltd.	579,699,900	7.06
		579,699,900	7.06
Thailand (Nil) (September 2020: 1.10%)			
United States (Nil) (September 2020: 1.27%)			
	Total Equities (85.38%) (September 2020: 89.57%)	7,013,212,159	85.38
Equity Warrants (1.30%) (September 2020: Nil)*			
Luxembourg (1.30%) (September 2020: Nil)			
4,638,968	Sungrow Power Supply Co. Ltd. (Warrant 21/04/2022)	106,520,781	1.30
		106,520,781	1.30
	Total Equity Warrants (1.30%) (September 2020: Nil)	106,520,781	1.30

*The counterparty for the warrants is UBS.

VERITAS FUNDS PLC

VERITAS ASIAN FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Collective Investment Schemes (8.88%) (September 2020: 8.06%*)			
Luxembourg (8.88%) (September 2020: 8.06%)			
365,103,440	JP Morgan US Dollar Liquidity Fund	365,103,440	4.44
365,133,030	Morgan Stanley US Dollar Liquidity Fund	365,133,030	4.44
		730,236,470	8.88
Total Collective Investment Schemes (8.88%) (September 2020: 8.06%)		730,236,470	8.88
Total Financial assets at Fair Value through Profit or Loss (95.56%) (September 2020: 97.63%)		7,849,969,410	95.56
Net Financial assets and liabilities at Fair Value through Profit or Loss (95.56%) (September 2020: 97.63%)		7,849,969,410	95.56
Other Net Assets (4.44%) (September 2020: 2.37%)		364,530,187	4.44
Net assets attributable to Holders of Redeemable Participating Shares		8,214,499,597	100.00
Analysis of Total Assets			
Transferable securities admitted to official stock exchange listing		% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
		86.14%	89.15%
Collective Investment Schemes		8.83%	8.02%
Other current Assets		5.03%	2.83%
Total Assets		100.00%	100.00%

* Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (93.06%) (September 2020: 99.12%)			
Australia (3.49%) (September 2020: 6.01%)			
136,135	Cochlear Ltd.	21,661,692	0.59
3,615,252	Sonic Healthcare Ltd.	105,973,706	2.90
		127,635,398	3.49
Canada (3.87%) (September 2020: 4.25%)			
2,175,315	Canadian Pacific Railway Ltd.	141,558,624	3.87
		141,558,624	3.87
China (1.99%) (September 2020: 3.99%)			
490,105	Alibaba Group Holding Ltd.	72,555,144	1.99
		72,555,144	1.99
France (9.23%) (September 2020: 11.34%)			
614,509	Airbus SE	81,986,760	2.24
942,953	Safran S.A.	119,829,398	3.28
1,296,100	Vinci S.A.	135,445,718	3.71
		337,261,876	9.23
Hong Kong (–%) (September 2020: –%)			
9,421,780	RREEF China Commercial Trust #	–	–
		–	–
Spain (2.84%) (September 2020: 3.06%)			
599,922	Aena SME S.A.	103,822,626	2.84
		103,822,626	2.84
Sweden (Nil) (September 2020: 2.96%)			
Switzerland (Nil) (September 2020: 1.97%)			
United Kingdom (8.17%) (September 2020: 8.97%)			
19,457,108	BAE Systems PLC	148,332,682	4.06
2,778,073	Unilever PLC	150,220,712	4.11
		298,553,394	8.17
# Unquoted security			

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (93.06%) (September 2020: 99.12%) (continued)			
United States (63.47%) (September 2020: 56.57%)			
106,424	Alphabet, Inc.	284,408,030	7.79
43,900	Amazon.com, Inc.	144,230,816	3.95
1,516,882	Baxter International, Inc.	121,980,066	3.34
445,034	Becton Dickinson & Co.	109,416,059	2.99
816,500	Catalent, Inc.	108,631,243	2.97
288,004	Charter Communications, Inc.	209,459,549	5.73
255,579	Cooper Cos, Inc.	105,637,190	2.89
931,300	CoStar Group, Inc.	80,124,396	2.19
1,546,163	CVS Health Corp.	131,153,276	3.59
404,226	Facebook, Inc.	137,149,840	3.75
1,192,100	Fiserv, Inc.	129,354,771	3.54
90,003	Illumina, Inc.	36,489,916	1.00
792,709	Intercontinental Exchange, Inc.	91,030,738	2.49
309,648	Mastercard, Inc.	107,616,614	2.95
556,000	Microsoft Corp.	156,627,980	4.29
247,900	Moody's Corp.	88,005,740	2.41
240,222	Thermo Fisher Scientific, Inc.	137,203,996	3.75
359,681	UnitedHealth Group, Inc.	140,543,552	3.85
		2,319,063,772	63.47
Total Equities (93.06%) (September 2020: 99.12%)		3,400,450,834	93.06
Collective Investment Schemes (5.64%) (September 2020: –%*)			
Luxembourg (5.64%) (September 2020: –%)			
103,006,849	JP Morgan US Dollar Liquidity Fund	103,006,849	2.82
103,039,085	Morgan Stanley US Dollar Liquidity Fund	103,039,085	2.82
		206,045,934	5.64
Total Collective Investment Schemes (5.64%) (September 2020: –%)		206,045,934	5.64

* Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts ((0.01)%) (September 2020: (0.03)%)							
NOK	38,579,919	EUR	3,750,895	HSBC	06/10/2021	34,907	—
NOK	9,420,008	AUD	1,468,878	HSBC	06/10/2021	12,322	—
NOK	10,904,960	GBP	911,943	HSBC	06/10/2021	11,435	—
USD	305,011	NOK	2,642,410	HSBC	06/10/2021	5,381	—
USD	346,149	NOK	3,006,703	HSBC	06/10/2021	5,211	—
USD	526,076	NOK	4,609,991	HSBC	06/10/2021	3,337	—
EUR	79,556	NOK	805,465	HSBC	06/10/2021	712	—
AUD	59,136	NOK	369,185	HSBC	06/10/2021	645	—
AUD	68,670	NOK	430,985	HSBC	06/10/2021	490	—
NOK	193,839	AUD	30,077	HSBC	06/10/2021	360	—
EUR	39,059	NOK	395,902	HSBC	06/10/2021	299	—
AUD	22,623	NOK	141,717	HSBC	06/10/2021	192	—
GBP	28,192	NOK	332,459	HSBC	06/10/2021	175	—
NOK	168,436	GBP	14,098	HSBC	06/10/2021	160	—
AUD	16,012	NOK	100,360	HSBC	06/10/2021	129	—
NOK	187,690	AUD	29,474	HSBC	06/10/2021	97	—
GBP	8,997	NOK	105,838	HSBC	06/10/2021	85	—
AUD	14,741	NOK	92,804	HSBC	06/10/2021	73	—
NOK	197,487	GBP	16,618	HSBC	06/10/2021	69	—
GBP	8,868	NOK	104,485	HSBC	06/10/2021	66	—
GBP	8,772	NOK	103,383	HSBC	06/10/2021	61	—
AUD	57,278	NOK	362,584	HSBC	06/10/2021	58	—
NOK	245,637	GBP	20,710	HSBC	06/10/2021	31	—
NOK	778,235	EUR	76,274	HSBC	06/10/2021	(3)	—
NOK	131,481	AUD	20,823	HSBC	06/10/2021	(59)	—
NOK	124,680	AUD	19,816	HSBC	06/10/2021	(106)	—
GBP	10,190	NOK	121,822	HSBC	06/10/2021	(125)	—
NOK	165,108	GBP	14,036	HSBC	06/10/2021	(134)	—
GBP	10,246	NOK	122,759	HSBC	06/10/2021	(155)	—
AUD	22,985	NOK	147,253	HSBC	06/10/2021	(175)	—
AUD	23,153	NOK	148,725	HSBC	06/10/2021	(222)	—
NOK	146,689	AUD	23,457	HSBC	06/10/2021	(228)	—
EUR	38,702	NOK	396,985	HSBC	06/10/2021	(237)	—
EUR	42,252	NOK	434,483	HSBC	06/10/2021	(381)	—
NOK	1,752,415	EUR	172,078	HSBC	06/10/2021	(383)	—
EUR	106,543	NOK	1,090,548	HSBC	06/10/2021	(391)	—
EUR	49,899	NOK	512,599	HSBC	06/10/2021	(392)	—
NOK	664,444	EUR	65,578	HSBC	06/10/2021	(531)	—
NOK	413,930	EUR	41,137	HSBC	06/10/2021	(659)	—
GBP	79,957	NOK	954,263	HSBC	06/10/2021	(792)	—

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts ((0.01)%) (September 2020: (0.03)%) (continued)							
NOK	617,421	EUR	61,443	HSBC	06/10/2021	(1,079)	–
NOK	2,062,707	USD	238,588	HSBC	06/10/2021	(4,692)	–
NOK	1,950,601	USD	227,611	HSBC	06/10/2021	(6,428)	–
NOK	2,134,926	USD	248,702	HSBC	06/10/2021	(6,617)	–
NOK	186,739,943	USD	21,525,514	HSBC	06/10/2021	(350,577)	(0.01)
Total Unrealised Gain on Forward Currency Contracts (–%) (September 2020: –%) #						76,295	–
Total Unrealised Loss on Forward Currency Contracts ((0.01)%) (September 2020: (0.03)%) #						(374,366)	(0.01)
Total Financial assets at Fair Value through Profit or Loss (98.70%) (September 2020: 99.12%)						3,606,573,063	98.70
Total Financial liabilities at Fair Value through Profit or Loss ((0.01)%) (September 2020: (0.03)%)						(374,366)	(0.01)
Net Financial assets and liabilities at Fair Value through Profit or Loss (98.69%) (September 2020: 99.09%)						3,606,198,697	98.69
Other Net Assets (1.31%) (September 2020: 0.91%)						47,798,837	1.31
Net assets attributable to Holders of Redeemable Participating Shares						3,653,997,534	100.00
Analysis of Total Assets							
Transferable securities admitted to official stock exchange listing							
						% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
						92.83%	97.76%
Collective Investment Schemes						5.63%	–%
Financial derivative instruments traded over-the-counter						–%	–%
Other current Assets						1.54%	2.24%
Total Assets						100.00%	100.00%

Forward Contracts are held at Class level for hedging.

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Asset Value
Equities (97.57%) (September 2020: 97.94%)			
Australia (3.74%) (September 2020: 4.04%)			
429,833	Sonic Healthcare Ltd.	9,344,516	3.74
		9,344,516	3.74
France (13.47%) (September 2020: 17.17%)			
64,600	Safran S.A.	6,088,399	2.43
144,600	Sanofi	10,328,359	4.14
108,200	Vinci S.A.	8,385,932	3.35
947,600	Vivendi SE	8,888,148	3.55
		33,690,838	13.47
Hong Kong (2.30%) (September 2020: 3.03%)			
7,810,537	Fortune Real Estate Investment Trust	5,755,718	2.30
9,738,050	RREEF China Commercial Trust #	—	—
		5,755,718	2.30
Netherlands (4.53%) (September 2020: Nil)			
570,700	Universal Music Group NV	11,336,260	4.53
		11,336,260	4.53
Singapore (5.52%) (September 2020: 9.02%)			
2,851,045	Ascendas Real Estate Investment Trust	4,680,305	1.87
8,306,635	NetLink NBN Trust	4,503,821	1.80
328,000	United Overseas Bank Ltd.	4,629,220	1.85
		13,813,346	5.52
Spain (6.98%) (September 2020: 4.36%)			
57,900	Aena SME S.A.	7,431,442	2.97
366,100	Industria de Diseno Textil S.A.	10,014,519	4.01
		17,445,961	6.98
Sweden (4.41%) (September 2020: 3.80%)			
1,323,500	Svenska Handelsbanken AB	11,024,578	4.41
		11,024,578	4.41

Unquoted security

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Asset Value
Equities (97.57%) (September 2020: 97.94%) (continued)			
Switzerland (7.04%) (September 2020: 5.60%)			
22,300	Dormakaba Holding AG	12,042,597	4.81
62,200	Nestle S.A.	5,572,151	2.23
		17,614,748	7.04
United Kingdom (23.60%) (September 2020: 27.58%)			
2,685,200	BAE Systems PLC	15,182,121	6.07
341,300	British American Tobacco PLC	8,888,305	3.55
320,900	Diageo PLC	11,570,852	4.63
49,000	Ferguson PLC	5,065,375	2.03
50,900	Reckitt Benckiser Group PLC	2,968,488	1.19
382,200	Unilever PLC	15,327,599	6.13
		59,002,740	23.60
United States (25.98%) (September 2020: 23.34%)			
359,500	Cisco Systems, Inc.	14,508,245	5.80
227,300	Coca-Cola Co.	8,842,675	3.54
120,900	CVS Health Corp.	7,605,846	3.04
80,100	General Dynamics Corp.	11,648,020	4.66
200,100	MSC Industrial Direct Co., Inc.	11,901,969	4.76
148,500	Philip Morris International, Inc.	10,440,210	4.18
		64,946,965	25.98
	Total Equities (97.57%) (September 2020: 97.94%)	243,975,670	97.57
Collective Investment Schemes (0.11%) (September 2020: 0.09%*)			
Luxembourg (0.11%) (September 2020: 0.09%)			
118,181	JP Morgan GBP Liquidity Fund	118,181	0.05
148,027	Morgan Stanley GBP Liquidity Fund	148,027	0.06
		266,208	0.11
	Total Collective Investment Schemes (0.11%) (September 2020: 0.09%)	266,208	0.11

* Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts (0.01%) (September 2020: 0.02%)							
USD	1,922,494	GBP	1,394,876	HSBC	06/10/2021	36,186	0.01
USD	22,458	GBP	16,240	HSBC	06/10/2021	477	–
USD	19,587	GBP	14,255	HSBC	06/10/2021	325	–
GBP	19,944	USD	27,650	HSBC	06/10/2021	(638)	–
Total Unrealised Gain on Forward Currency Contracts (0.01%) (September 2020: 0.02%) #						36,988	0.01
Total Unrealised Loss on Forward Currency Contracts (–%) (September 2020: –%) #						(638)	–
Total Financial assets at Fair Value through Profit or Loss (97.69%) (September 2020: 98.05%)						244,278,866	97.69
Total Financial liabilities at Fair Value through Profit or Loss (–%) (September 2020: –%)						(638)	–
Net Financial assets and liabilities at Fair Value through Profit or Loss (97.69%) (September 2020: 98.05%)						244,278,228	97.69
Other Net Assets (2.31%) (September 2020: 1.95%)						5,765,616	2.31
Net assets attributable to Holders of Redeemable Participating Shares						250,043,844	100.00
Analysis of Total Assets							
Transferable securities admitted to official stock exchange listing						% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
						94.55%	95.30%
Collective Investment Schemes						0.11%	0.08%
Financial derivative instruments traded over-the-counter						0.01%	0.02%
Other current Assets						5.33%	4.60%
Total Assets						100.00%	100.00%

Forward Contracts are held at Class level for hedging.

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (67.99%) (September 2020: 69.45%)			
China (63.27%) (September 2020: 67.94%)			
300,000	By-health Co. Ltd.	1,312,442	2.06
100,000	Centre Testing International Group Co. Ltd.	392,702	0.62
289,879	Chongqing Fuling Zhacai Group Co. Ltd.	1,381,798	2.17
100,000	Country Garden Services Holdings Co. Ltd.	789,374	1.24
959,992	Estun Automation Co. Ltd.	3,261,206	5.12
100,000	Gree Electric Appliances, Inc. of Zhuhai	600,480	0.94
429,978	Guangzhou GRG Metrology & Test Co. Ltd.	1,992,329	3.13
191,956	Guangzhou Kingmed Diagnostics Group Co. Ltd.	3,046,045	4.78
100,000	Hangzhou First Applied Material Co. Ltd.	1,964,596	3.09
700,000	Jinxin Fertility Group Ltd.	1,042,179	1.64
300,000	JW Cayman Therapeutics Co. Ltd.	575,748	0.90
8,790	Kweichow Moutai Co. Ltd.	2,489,225	3.91
179,998	Midea Group Co. Ltd.	1,940,961	3.05
219,971	Shandong Sinocera Functional Material Co. Ltd.	1,402,682	2.20
375,000	Shenzhen Inovance Technology Co. Ltd.	3,661,683	5.75
50,000	Skshu Paint Co. Ltd.	775,023	1.22
179,999	Sungrow Power Supply Co. Ltd.	4,138,387	6.50
84,000	WuXi AppTec Co. Ltd.	1,988,785	3.12
110,000	Wuxi Biologics Cayman, Inc.	1,786,786	2.81
149,998	Wuxi Lead Intelligent Equipment Co. Ltd.	1,622,809	2.55
30,000	Yunnan Energy New Material Co. Ltd.	1,302,169	2.04
799,975	Zhejiang Sanhua Intelligent Controls Co. Ltd.	2,821,728	4.43
		40,289,137	63.27
Hong Kong (4.72%) (September 2020: 1.51%)			
650,000	JS Global Lifestyle Co. Ltd.	1,510,473	2.37
500,000	Xinyi Glass Holdings Ltd.	1,494,929	2.35
		3,005,402	4.72
Total Equities (67.99%) (September 2020: 69.45%)		43,294,539	67.99

VERITAS FUNDS PLC

VERITAS CHINA FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
	Bond (0.87%) (September 2020: 1.38%)		
	China (0.87%) (September 2020: 1.38%)		
583,000	Trip.com Group Ltd. 1.250% 15/09/2022	556,403	0.87
		556,403	0.87
	Total Bond (0.87%) (September 2020: 1.38%)	556,403	0.87
	Equity Warrants (5.71%) (September 2020: Nil)*		
	Singapore (5.71%) (September 2020: Nil)		
1,000,000	Zhejiang Shuanghuan Driveline Co. Ltd. (Warrant 04/08/2026)	3,635,787	5.71
		3,635,787	5.71
	Total Equity Warrants (5.71%) (September 2020: Nil)	3,635,787	5.71
	Collective Investment Schemes (9.43%) (September 2020: 9.32%**)		
	Luxembourg (9.43%) (September 2020: 9.32%)		
3,000,928	JP Morgan US Dollar Liquidity Fund	3,000,928	4.71
3,001,050	Morgan Stanley US Dollar Liquidity Fund	3,001,050	4.72
		6,001,978	9.43
	Total Collective Investment Schemes (9.43%) (September 2020: 9.32%)	6,001,978	9.43

*The counterparty for the warrants is CLSA.

** Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS CHINA FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts (–%) (September 2020: Nil)							
USD	6,026	CNH	38,880	Brown Brothers Harriman	12/10/2021	22	–
Total Unrealised Gain on Forward Currency Contracts (–%) (September 2020: Nil)						22	–
Total Financial assets at Fair Value through Profit or Loss (84.00%) (September 2020: 80.15%)						53,488,729	84.00
Net Financial assets and liabilities at Fair Value through Profit or Loss (84.00%) (September 2020: 80.15%)						53,488,729	84.00
Other Net Assets (16.00%) (September 2020: 19.85%)						10,189,006	16.00
Net assets attributable to Holders of Redeemable Participating Shares						63,677,735	100.00
Analysis of Total Assets							
Transferable securities admitted to official stock exchange listing						% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
Other transferable securities of the type referred to in Regulations 68 (1)(a), (b) and (c)						67.91%	68.67%
Collective Investment Schemes						6.58%	1.36%
Financial derivative instruments traded over-the-counter						9.42%	9.21%
Other current Assets						–%	–%
Total Assets						16.09%	20.76%
						100.00%	100.00%

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Asset Value
	Equities (92.62%) (September 2020: 94.36%)		
	Australia (2.83%) (September 2020: 5.82%)		
349,449	Sonic Healthcare Ltd.	7,596,978	2.83
		7,596,978	2.83
	Canada (4.84%) (September 2020: 4.95%)		
216,900	Canadian Pacific Railway Ltd.	10,468,178	3.90
26,100	Franco-Nevada Corp.	2,514,183	0.94
		12,982,361	4.84
	China (1.98%) (September 2020: 4.05%)		
48,400	Alibaba Group Holding Ltd.	5,314,003	1.98
		5,314,003	1.98
	France (8.72%) (September 2020: 11.36%)		
55,100	Airbus SE	5,452,107	2.03
87,600	Safran S.A.	8,256,096	3.08
125,100	Vinci S.A.	9,695,748	3.61
		23,403,951	8.72
	Hong Kong (–%) (September 2020: –%)		
4,654,000	RREEF China Commercial Trust #	–	–
		–	–
	Spain (2.83%) (September 2020: 3.05%)		
59,110	Aena SME S.A.	7,586,745	2.83
		7,586,745	2.83
	Sweden (Nil) (September 2020: 2.58%)		
	Switzerland (Nil) (September 2020: 1.96%)		
	United Kingdom (8.07%) (September 2020: 8.23%)		
1,908,700	BAE Systems PLC	10,791,790	4.02
271,186	Unilever PLC	10,875,537	4.05
		21,667,327	8.07

Unquoted security

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Asset Value
Equities (92.62%) (September 2020: 94.36%) (continued)			
United States (63.35%) (September 2020: 52.36%)			
10,450	Alphabet, Inc.	20,711,708	7.72
4,300	Amazon.com, Inc.	10,477,541	3.90
166,215	Baxter International, Inc.	9,912,989	3.69
42,300	Becton Dickinson & Co.	7,713,040	2.87
79,900	Catalent, Inc.	7,883,929	2.94
28,199	Charter Communications, Inc.	15,210,122	5.67
25,069	Cooper Cos, Inc.	7,684,685	2.86
91,100	CoStar Group, Inc.	5,812,874	2.17
151,600	CVS Health Corp.	9,537,190	3.55
37,500	Facebook, Inc.	9,436,255	3.52
120,300	Fiserv, Inc.	9,681,279	3.61
10,475	Illumina, Inc.	3,149,686	1.17
77,800	Intercontinental Exchange, Inc.	6,625,997	2.47
30,100	Mastercard, Inc.	7,758,449	2.89
54,600	Microsoft Corp.	11,407,345	4.25
24,400	Moody's Corp.	6,424,239	2.39
23,800	Thermo Fisher Scientific, Inc.	10,081,573	3.76
36,300	UnitedHealth Group, Inc.	10,519,556	3.92
		170,028,457	63.35
Total Equities (92.62%) (September 2020: 94.36%)		248,579,822	92.62
Collective Investment Schemes (–%) (September 2020: –%*)			
Luxembourg (–%) (September 2020: –%)			
1	JP Morgan GBP Liquidity Fund	1	–
635	Morgan Stanley GBP Liquidity Fund	635	–
		636	–
Total Collective Investment Schemes (–%) (September 2020: –%)		636	–

* Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts (0.38%) (September 2020: 1.15%)							
USD	29,742,775	GBP	21,580,041	HSBC	06/10/2021	559,835	0.22
USD	20,249,101	GBP	14,691,851	HSBC	06/10/2021	381,140	0.14
USD	3,038,716	GBP	2,204,758	HSBC	06/10/2021	57,197	0.02
EUR	24,989,558	GBP	21,496,710	HSBC	06/10/2021	25,381	0.01
EUR	3,094,336	GBP	2,653,885	Brown Brothers Harriman	06/10/2021	11,091	0.01
EUR	10,745,950	GBP	9,243,963	HSBC	06/10/2021	10,914	0.01
EUR	1,372,749	GBP	1,173,364	Brown Brothers Harriman	06/10/2021	8,907	—
USD	318,929	GBP	230,625	HSBC	06/10/2021	6,780	—
USD	496,528	GBP	363,388	HSBC	06/10/2021	6,216	—
USD	216,204	GBP	156,341	HSBC	06/10/2021	4,596	—
USD	339,668	GBP	248,589	HSBC	06/10/2021	4,253	—
EUR	3,339,027	GBP	2,872,324	HSBC	06/10/2021	3,391	—
USD	70,448	GBP	51,078	Brown Brothers Harriman	06/10/2021	1,362	—
USD	41,768	GBP	30,203	Brown Brothers Harriman	06/10/2021	888	—
EUR	241,916	GBP	207,542	HSBC	06/10/2021	807	—
USD	32,525	GBP	23,519	HSBC	06/10/2021	691	—
USD	49,254	GBP	36,047	HSBC	06/10/2021	617	—
EUR	186,536	GBP	160,097	HSBC	06/10/2021	556	—
EUR	40,471	GBP	34,457	Brown Brothers Harriman	06/10/2021	398	—
USD	26,912	GBP	19,651	Brown Brothers Harriman	06/10/2021	382	—
EUR	113,182	GBP	97,100	HSBC	06/10/2021	377	—
EUR	44,169	GBP	37,682	Brown Brothers Harriman	06/10/2021	359	—
USD	17,603	GBP	12,787	Brown Brothers Harriman	06/10/2021	316	—
EUR	88,688	GBP	76,117	HSBC	06/10/2021	264	—
EUR	57,423	GBP	49,264	HSBC	06/10/2021	191	—
GBP	80,360	EUR	93,087	Brown Brothers Harriman	06/10/2021	189	—
EUR	14,843	GBP	12,636	Brown Brothers Harriman	06/10/2021	147	—
EUR	26,282	GBP	22,557	HSBC	06/10/2021	78	—
EUR	54,536	GBP	46,895	Brown Brothers Harriman	06/10/2021	74	—
EUR	15,000	GBP	12,854	Brown Brothers Harriman	06/10/2021	64	—
EUR	10,000	GBP	8,570	Brown Brothers Harriman	06/10/2021	43	—
EUR	2,870	GBP	2,448	Brown Brothers Harriman	06/10/2021	23	—
EUR	3,027	GBP	2,594	Brown Brothers Harriman	06/10/2021	13	—
EUR	3,582	GBP	3,079	Brown Brothers Harriman	06/10/2021	6	—
USD	122	GBP	88	Brown Brothers Harriman	06/10/2021	3	—
EUR	297	GBP	253	Brown Brothers Harriman	06/10/2021	3	—
EUR	92	GBP	78	Brown Brothers Harriman	06/10/2021	1	—
USD	53	GBP	39	Brown Brothers Harriman	06/10/2021	1	—
GBP	4,934	EUR	5,728	Brown Brothers Harriman	06/10/2021	1	—
GBP	110	EUR	128	Brown Brothers Harriman	06/10/2021	(1)	—

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
Unrealised Gain/(Loss) on Forward Currency Contracts (0.38%) (September 2020: 1.15%) (continued)							
GBP	27	USD	37	Brown Brothers Harriman	06/10/2021	(1)	—
EUR	358	GBP	309	Brown Brothers Harriman	06/10/2021	(1)	—
GBP	170	EUR	199	Brown Brothers Harriman	06/10/2021	(1)	—
GBP	421	EUR	492	Brown Brothers Harriman	06/10/2021	(2)	—
EUR	50,000	GBP	43,071	Brown Brothers Harriman	06/10/2021	(8)	—
EUR	49,906	GBP	42,990	Brown Brothers Harriman	06/10/2021	(8)	—
GBP	554	USD	766	Brown Brothers Harriman	06/10/2021	(16)	—
GBP	18,848	EUR	21,905	Brown Brothers Harriman	06/10/2021	(18)	—
GBP	6,944	EUR	8,085	Brown Brothers Harriman	06/10/2021	(19)	—
GBP	1,667	USD	2,281	Brown Brothers Harriman	06/10/2021	(31)	—
GBP	13,829	EUR	16,100	Brown Brothers Harriman	06/10/2021	(37)	—
GBP	1,844	USD	2,550	Brown Brothers Harriman	06/10/2021	(54)	—
GBP	32,738	EUR	38,312	Brown Brothers Harriman	06/10/2021	(257)	—
GBP	32,929	EUR	38,558	HSBC	06/10/2021	(279)	—
GBP	31,963	EUR	37,507	HSBC	06/10/2021	(339)	—
GBP	22,231	USD	30,383	HSBC	06/10/2021	(386)	—
GBP	24,301	USD	33,730	HSBC	06/10/2021	(807)	—
GBP	102,609	EUR	120,150	HSBC	06/10/2021	(869)	—
GBP	47,026	USD	65,225	Brown Brothers Harriman	06/10/2021	(1,525)	—
GBP	169,631	EUR	198,836	Brown Brothers Harriman	06/10/2021	(1,615)	—
GBP	152,202	USD	208,016	HSBC	06/10/2021	(2,640)	—
GBP	222,075	USD	303,510	HSBC	06/10/2021	(3,852)	—
GBP	157,576	USD	218,721	HSBC	06/10/2021	(5,235)	—
GBP	1,074,078	EUR	1,253,351	Brown Brothers Harriman	06/10/2021	(5,362)	—
GBP	227,876	USD	316,298	HSBC	06/10/2021	(7,570)	(0.01)
GBP	1,070,127	EUR	1,256,231	Brown Brothers Harriman	06/10/2021	(11,794)	(0.01)
GBP	4,277,280	EUR	5,000,000	Brown Brothers Harriman	06/10/2021	(28,936)	(0.01)
Total Unrealised Gain on Forward Currency Contracts (0.41%) (September 2020: 1.20%) #						1,087,555	0.41
Total Unrealised Loss on Forward Currency Contracts ((0.03)%) (September 2020: (0.05)%) #						(71,663)	(0.03)

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Assets Value
Future Contracts (1.74%) (September 2020: 0.79%)*			
(730)	E-mini S&P 500 Index Futures December 2021	4,088,942	1.52
(560)	Euro Stoxx 50 Index Futures December 2021	624,536	0.23
(145)	FTSE 100 Index Futures December 2021	(34,075)	(0.01)
		4,679,403	1.74
Total Unrealised Gain on Future Contracts (1.75%) (September 2020: 0.79%)			
		4,713,478	1.75
Total Unrealised Loss on Future Contracts ((0.01)%) (September 2020: –%)			
		(34,075)	(0.01)
Total Financial assets at Fair Value through Profit or Loss (94.78%) (September 2020: 96.35%)			
		254,381,491	94.78
Total Financial liabilities at Fair Value through Profit or Loss ((0.04)%) (September 2020: (0.05)%)			
		(105,738)	(0.04)
Net Financial assets and liabilities at Fair Value through Profit or Loss (94.74%) (September 2020: 96.30%)			
		254,275,753	94.74
Other Net Assets (5.26%) (September 2020: 3.70%)			
		14,104,529	5.26
Net assets attributable to Holders of Redeemable Participating Shares			
		268,380,282	100.00
Analysis of Total Assets			
Transferable securities admitted to official stock exchange listing		% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
		92.42%	92.82%
Collective Investment Schemes		–%	–%
Financial derivative instruments traded over-the-counter		0.40%	1.18%
Other current Assets		7.18%	6.00%
Total Assets		100.00%	100.00%

*The counterparty for the future contracts is UBS.

Forward Contracts are held at Class level for hedging

VERITAS FUNDS PLC

VERITAS IZOARD FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (97.10%) (September 2020: 96.33%)			
Australia (3.06%) (September 2020: 3.53%)			
81,178	Sonic Healthcare Ltd.	2,379,567	3.06
		2,379,567	3.06
Canada (5.49%) (September 2020: 6.14%)			
65,500	Canadian Pacific Railway Ltd.	4,262,413	5.49
		4,262,413	5.49
China (2.17%) (September 2020: Nil)			
11,400	Alibaba Group Holding Ltd.	1,687,656	2.17
		1,687,656	2.17
France (12.90%) (September 2020: 13.21%)			
17,700	Airbus SE	2,361,504	3.04
29,800	Safran S.A.	3,786,950	4.88
37,000	Vinci S.A.	3,866,594	4.98
		10,015,048	12.90
Spain (3.43%) (September 2020: 3.04%)			
15,390	Aena SME S.A.	2,663,397	3.43
		2,663,397	3.43
Switzerland (Nil) (September 2020: 1.91%)			
United Kingdom (9.32%) (September 2020: 13.54%)			
460,000	BAE Systems PLC	3,506,844	4.52
69,000	Unilever PLC	3,731,085	4.80
		7,237,929	9.32
United States (60.73%) (September 2020: 54.96%)			
2,700	Alphabet, Inc.	7,215,493	9.30
38,651	Baxter International, Inc.	3,108,120	4.00
9,059	Charter Communications, Inc.	6,588,429	8.49
7,686	Cooper Cos, Inc./The	3,176,816	4.09
42,700	CVS Health Corp.	3,622,028	4.66
11,838	Facebook, Inc.	4,016,515	5.17
28,400	Fiserv, Inc.	3,081,684	3.97
25,600	Intercontinental Exchange, Inc.	2,939,776	3.79

VERITAS FUNDS PLC

VERITAS IZOARD FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (97.10%) (September 2020: 96.33%) (continued)			
United States (60.73%) (September 2020: 54.96%) (continued)			
8,700	Mastercard, Inc.	3,023,642	3.89
16,300	Microsoft Corp.	4,591,791	5.91
8,400	Moody's Corp.	2,982,042	3.84
7,200	UnitedHealth Group, Inc.	2,813,364	3.62
		47,159,700	60.73
Total Equities (97.10%) (September 2020: 96.33%)		75,405,710	97.10
Collective Investment Schemes (–%) (September 2020: 2.82%*)			
Luxembourg (–%) (September 2020: 2.82%)			
962	JP Morgan US Dollar Liquidity Fund	962	–
1,494	Morgan Stanley US Dollar Liquidity Fund	1,494	–
		2,456	–
Total Collective Investment Schemes (–%) (September 2020: 2.82%)		2,456	–
Total Financial assets at Fair Value through Profit or Loss (97.10%) (September 2020: 99.15%)		75,408,166	97.10
Net Financial assets and liabilities at Fair Value through Profit or Loss (97.10%) (September 2020: 99.15%)		75,408,166	97.10
Other Net Assets (2.90%) (September 2020: 0.85%)		2,251,695	2.90
Net assets attributable to Holders of Redeemable Participating Shares		77,659,861	100.00

* Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS FUNDS PLC

VERITAS IZOARD FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

	% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
Analysis of Total Assets		
Transferable securities admitted to official stock exchange listing	96.71%	92.21%
Collective Investment Schemes	—%	2.70%
Other current Assets	3.29%	5.09%
Total Assets	100.00%	100.00%

VERITAS FUNDS PLC

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS

AS AT 30 SEPTEMBER 2021

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (80.91%) (September 2020: 76.76%)			
Canada (2.08%) (September 2020: 2.16%)			
2,600	Franco-Nevada Corp.	337,701	2.08
		337,701	2.08
China (19.59%) (September 2020: 20.51%)			
28,150	Alibaba Group Holding Ltd.	514,389	3.17
24,900	Foshan Haitian Flavouring & Food Co. Ltd.	424,369	2.62
13,500	Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	347,383	2.14
13,900	Tencent Holdings Ltd.	824,039	5.08
136,600	TravelSky Technology Ltd.	262,684	1.62
12,100	Wuliangye Yibin Co. Ltd.	411,323	2.53
71,000	Yihai International Holding Ltd.	394,918	2.43
		3,179,105	19.59
France (10.78%) (September 2020: 8.23%)			
2,000	Airbus SE	266,837	1.64
3,200	Pernod Ricard S.A.	707,330	4.36
6,100	Safran S.A.	775,181	4.78
		1,749,348	10.78
Germany (1.84%) (September 2020: Nil)			
2,200	SAP SE	298,671	1.84
		298,671	1.84
India (5.59%) (September 2020: Nil)			
33,600	Kotak Mahindra Bank Ltd.	907,814	5.59
		907,814	5.59
Japan (Nil) (September 2020: 1.63%)			
Mexico (2.04%) (September 2020: 2.07%)			
152,000	Becle SAB de CV	330,864	2.04
		330,864	2.04
Singapore (3.93%) (September 2020: 2.39%)			
2,000	Sea Ltd.	637,360	3.93
		637,360	3.93

VERITAS FUNDS PLC

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equities (80.91%) (September 2020: 76.76%)			
Sweden (1.77%) (September 2020: Nil)			
13,800	Epiroc AB	286,693	1.77
		286,693	1.77
Switzerland (4.04%) (September 2020: 5.37%)			
9,700	Wizz Air Holdings PLC	656,173	4.04
		656,173	4.04
United Arab Emirates (Nil) (September 2020: 1.38%)			
United Kingdom (2.29%) (September 2020: 13.53%)			
10,600	British American Tobacco PLC	372,213	2.29
		372,213	2.29
United States (26.96%) (September 2020: 19.49%)			
5,700	Abbott Laboratories	673,256	4.15
7,100	Corteva, Inc.	298,662	1.84
2,500	Facebook, Inc.	848,225	5.23
1,300	Netflix, Inc.	793,325	4.89
8,400	Philip Morris International, Inc.	796,278	4.91
2,000	Starbucks Corp.	220,650	1.36
1,300	Thermo Fisher Scientific, Inc.	742,502	4.58
		4,372,898	26.96
Total Equities (80.91%) (September 2020: 76.76%)		13,128,840	80.91

VERITAS FUNDS PLC

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

**SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)**

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
Equity Warrants (18.82%) (September 2020: 11.77%)*			
Singapore (18.82%) (September 2020: 11.77%)			
45,600	HDFC Bank Ltd. (Warrant 30/06/2024)	979,822	6.04
48,000	Indian Energy Exchange Ltd. (Warrant 18/11/2024)	417,710	2.57
3,700	Info Edge India Ltd. (Warrant 31/12/2024)	320,584	1.98
11,000	Tata Consultancy Services Ltd. (Warrant 25/02/2025)	559,510	3.45
7,800	Avenue Supermarts Ltd. (Warrant 07/10/2025)	446,621	2.75
5,100	Divi's Laboratories Ltd. (Warrant 09/02/2026)	329,708	2.03
		3,053,955	18.82
Total Equity Warrants (18.82%) (September 2020: 11.77%)			
		3,053,955	18.82
Collective Investment Schemes (0.01%) (September 2020: 5.92%**)			
Luxembourg (0.01%) (September 2020: 5.92%)			
1,628	JP Morgan US Dollar Liquidity Fund	1,628	0.01
326	Morgan Stanley US Dollar Liquidity Fund	326	—
		1,954	0.01
Total Collective Investment Schemes (0.01%) (September 2020: 5.92%)			
		1,954	0.01
Total Financial assets at Fair Value through Profit or Loss (99.74%) (September 2020: 94.45%)			
		16,184,749	99.74
Net Financial assets and liabilities at Fair Value through Profit or Loss (99.74%) (September 2020: 94.45%)			
		16,184,749	99.74
Other Net Assets (0.26%) (September 2020: 5.55%)			
		42,253	0.26
Net assets attributable to Holders of Redeemable Participating Shares			
		16,227,002	100.00

*The counterparty for the warrants is CLSA.

** Included in Cash and cash equivalents in the Statement of Financial Positions as of 30 September 2020.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2021
(CONTINUED)

	% of Total Assets 30 September 2021	% of Total Assets 30 September 2020
Analysis of Total Assets		
Transferable securities admitted to official stock exchange listing	88.89%	81.52%
Other transferable securities of the type referred to in Regulations 68 (1)(a), (b) and (c)	10.74%	6.84%
Collective Investment Schemes	0.01%	5.91%
Other current Assets	0.36%	5.73%
Total Assets	100.00%	100.00%

VERITAS FUNDS PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

		Veritas Asian Fund	Veritas Global Focus Fund	Veritas Global Equity Income Fund	Veritas China Fund
	Note	USD	USD	GBP	USD
CURRENT ASSETS					
Financial assets at fair value through profit or loss	7	7,849,969,410	3,606,573,063	244,278,866	53,488,729
Cash and cash equivalents	8	283,267,984	50,570,084	4,364,729	9,400,454
Margin cash held with brokers	8	–	–	–	265
Due from brokers	2	78,365,721	–	8,026,219	541,904
Due from shareholders		49,877,825	4,477,217	116,389	324,095
Dividends receivable		4,525,731	1,481,585	1,259,408	–
Other debtors		–	–	–	91
TOTAL CURRENT ASSETS		8,266,006,671	3,663,101,949	258,045,611	63,755,538
CURRENT LIABILITIES					
Financial liabilities at fair value through profit or loss	7	–	374,366	638	–
Bank overdraft		–	337	501	–
Due to brokers	2	24,587,247	25,393	2,618,781	–
Due to shareholders		20,200,092	5,596,739	376,679	10
Investment management fee payable	3	5,592,365	2,286,523	168,050	54,727
Distribution payable	5	–	194,559	4,757,460	–
Other creditors		1,127,370	626,498	79,658	23,066
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		51,507,074	9,104,415	8,001,767	77,803
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		8,214,499,597	3,653,997,534	250,043,844	63,677,735

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 (CONTINUED)

	Note	Veritas Global Real Return Fund	Veritas Izoard Fund	Veritas Third Eye Global Emerging Markets Fund	Total
		GBP	USD	USD	USD
CURRENT ASSETS					
Financial assets at fair value through profit or loss	7	254,381,491	75,408,166	16,184,749	12,271,524,440
Cash and cash equivalents	8	6,443,758	2,528,984	39,621	359,947,347*
Margin cash held with brokers	8	7,970,440	—	—	10,707,754
Due from brokers	2	—	—	—	89,690,048
Due from shareholders		75,914	—	17	55,392,518*
Dividends receivable		91,608	37,208	18,866	7,878,345
Other debtors		—	—	—	91
TOTAL CURRENT ASSETS		268,963,211	77,974,358	16,243,253	12,795,140,543
CURRENT LIABILITIES					
Financial liabilities at fair value through profit or loss	7	105,738	—	—	517,272
Bank overdraft		17	—	—	1,033
Due to brokers	2	223	—	—	28,131,009
Due to shareholders		236,166	—	—	26,620,137
Investment management fee payable	3	196,576	33,175	13,591	8,545,343*
Distribution payable	5	—	268,824	—	6,854,555
Other creditors		44,209	12,498	2,660	1,958,494
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		582,929	314,497	16,251	72,627,843
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		268,380,282	77,659,861	16,227,002	12,722,512,700

On behalf of the Board

 Brian Wilkinson
 14 December 2021

 Mike Kirby

*The figures have been adjusted to account for balances held in the name of the Company on cash collection accounts. The total adjustment to Cash and cash equivalents is USD (379,901).

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

		Veritas Asian Fund	Veritas Global Focus Fund	Veritas Global Equity Income Fund	Veritas China Fund
	Note	USD	USD	GBP	USD
CURRENT ASSETS					
Financial assets at fair value through profit or loss	7	5,249,927,045	3,349,455,877	299,001,383	30,105,849
Cash and cash equivalents	8	136,641,279	55,410,981	9,059,148	7,796,239
Margin cash held with brokers	8	–	–	–	266
Due from brokers	2	3,322	12,874,110	3,111,968	12
Due from shareholders		11,902,660	4,620,008	12,991	34,401
Dividends receivable		4,454,299	3,723,535	2,226,081	–
Other debtors		878	–	–	52,595
TOTAL CURRENT ASSETS		5,402,929,483	3,426,084,511	313,411,571	37,989,362
CURRENT LIABILITIES					
Financial liabilities at fair value through profit or loss	7	–	981,376	2,474	–
Bank overdraft		–	78	–	–
Due to brokers	2	8,851,209	37,772,628	6,784	346,735
Due to shareholders		8,156,893	2,079,658	752,973	300
Investment management fee payable	3	6,817,712	4,334,328	454,868	65,011
Distribution payable	5	1,075,285	1,204,375	7,159,034	–
Other creditors		759,559	636,627	94,325	12,658
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		25,660,658	47,009,070	8,470,458	424,704
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		5,377,268,825	3,379,075,441	304,941,113	37,564,658

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020
(CONTINUED)**

		Veritas Global Real Return Fund	Veritas Izoard Fund	Veritas Third Eye Global Emerging Markets Fund	Total
	Note	GBP	USD	USD	USD
CURRENT ASSETS					
Financial assets at fair value through profit or loss	7	281,444,743	70,298,779	12,801,382	9,457,127,178
Cash and cash equivalents	8	461,111	3,190,721	717,152	216,013,184*
Margin cash held with brokers	8	13,282,481	–	–	17,037,704
Due from brokers	2	–	209,162	5	17,078,332
Due from shareholders		1,628,615	225,000	641	18,888,398
Dividends receivable		149,107	104,572	9,657	11,338,717
Other debtors		26	42,331	50,587	146,424
TOTAL CURRENT ASSETS		296,966,083	74,070,565	13,579,424	9,737,629,937
CURRENT LIABILITIES					
Financial liabilities at fair value through profit or loss	7	143,074	–	–	1,168,070
Bank overdraft		309,112	–	–	396,576
Due to brokers	2	3,669,255	2,536,370	64	54,222,262
Due to shareholders		225,398	–	–	11,521,680*
Investment management fee payable	3	436,088	60,461	22,856	12,458,500*
Distribution payable	5	–	558,430	–	12,020,983
Other creditors		56,281	11,752	2,270	1,616,048
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		4,839,208	3,167,013	25,190	93,404,119
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		292,126,875	70,903,552	13,554,234	9,644,225,818

*The figures have been adjusted to account for balances held in the name of the Company on cash collection accounts. The total adjustment to Cash and cash equivalents is USD 45,176.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
INCOME					
Interest income	2	201,208	48,860	6,995	9,496
Dividend income		65,971,206	36,766,535	9,976,804	383,016
Other income		773,575	–	2,842	–
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6	1,509,280,620	782,489,194	46,269,276	1,647,769
Net gain/(loss) on foreign exchange		(5,363,025)	(1,115,955)	(260,927)	(48,348)
TOTAL INVESTMENT INCOME/(LOSS)		1,570,863,584	818,188,634	55,994,990	1,991,933
EXPENSES					
Investment management fees	3	63,502,039	30,103,364	2,373,120	659,068
Transactions fees	3	13,009,103	846,561	88,589	219,932
Administration fees	3	1,337,688	580,395	128,602	54,889
Depositary fees	3	2,812,275	427,750	33,756	24,805
Directors' fees	3	42,321	6,618	–	–
Audit fees	3	79,632	35,421	2,378	617
Legal fees		327,191	70,676	17,506	16,501
Other expenses		66,473	36,862	93	1,066
TOTAL EXPENSES		81,176,722	32,107,647	2,644,044	976,878
NET INCOME/(LOSS)		1,489,686,862	786,080,987	53,350,946	1,015,055
FINANCE COSTS					
Distributions to holders of redeemable participating shares	5	–	(213,680)	(8,021,293)	–
Interest expense		(24,038)	(10,677)	(3,744)	(581)
GAIN/(LOSS) FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX		1,489,662,824	785,856,630	45,325,909	1,014,474
Less: Withholding tax		(10,727,917)	(5,225,563)	(943,329)	(32,298)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		1,478,934,907	780,631,067	44,382,580	982,176

Gains and losses arose solely from continuing activities. There were no gains and losses other than those dealt with in the statements of comprehensive income.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

		Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
	Note				
INCOME					
Interest income	2	2,131	2,446	487	274,991
Dividend income		2,616,296	826,623	196,725	121,385,319
Other income		17,122	2,715	–	803,623
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6	6,375,243	16,265,783	2,648,352	2,384,407,329
Net gain/(loss) on foreign exchange		72,180	(27,397)	(1,923)	(6,815,062)
TOTAL INVESTMENT INCOME/(LOSS)		9,082,972	17,070,170	2,843,641	2,500,056,200
EXPENSES					
Investment management fees	3	2,641,586	399,144	159,221	101,688,470
Transactions fees	3	100,990	15,508	15,333	14,365,990
Administration fees	3	106,083	14,129	17,310	2,325,718
Depository fees	3	34,754	10,681	3,847	3,373,155
Directors' fees	3	–	–	–	48,939
Audit fees	3	2,557	753	157	123,336
Legal fees		18,820	7,344	7,062	478,508
Other expenses		1,683	–	14,449	121,282
TOTAL EXPENSES		2,906,473	447,559	217,379	122,525,398
NET INCOME/(LOSS)		6,176,499	16,622,611	2,626,262	2,377,530,802
FINANCE COSTS					
Distributions to holders of redeemable participating shares	5	–	(289,159)	–	(11,484,791)
Interest expense		(137,331)	(197)	(640)	(229,279)
GAIN/(LOSS) FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX		6,039,168	16,333,255	2,625,622	2,365,816,732
Less: Withholding tax		(378,302)	(107,645)	(16,321)	(17,919,189)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		5,660,866	16,225,610	2,609,301	2,347,897,543

Gains and losses arose solely from continuing activities. There were no gains and losses other than those dealt with in the statements of comprehensive income.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
INCOME					
Interest income	2	3,562,149	4,784,942	80,842	57,342
Dividend income		34,314,557	36,182,022	15,062,648	211,637
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6	1,226,303,614	300,746,918	(51,049,918)	11,558,430
Net gain/(loss) on foreign exchange		(3,100,605)	(1,322,832)	(85,393)	(11,954)
TOTAL INVESTMENT INCOME/(LOSS)		1,261,079,715	340,391,050	(35,991,821)	11,815,455
EXPENSES					
Investment management fees	3	28,550,706	26,345,780	3,424,896	287,704
Transactions fees*	3	6,814,557	1,561,381	266,389	99,513
Administration fees	3	751,754	569,119	143,717	8,623
Depositary fees	3	1,169,981	444,467	72,544	9,652
Directors' fees	3	46,468	5,280	501	87
Audit fees	3	61,092	38,390	3,486	427
Legal fees		342,995	139,484	36,829	19,561
Other expenses		415,125	43,235	5,976	1,558
TOTAL EXPENSES		38,152,678	29,147,136	3,954,338	427,125
NET INCOME/(LOSS)		1,222,927,037	311,243,914	(39,946,159)	11,388,330
FINANCE COSTS					
Distributions to holders of redeemable participating shares	5	(1,120,051)	(1,264,412)	(11,963,144)	–
Interest expense		(24,292)	(114,993)	(9,722)	(8,369)
GAIN/(LOSS) FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX		1,221,782,694	309,864,509	(51,919,025)	11,379,961
Less: Capital withholding tax		(649,820)	–	–	–
Less: Withholding tax		(4,408,400)	(5,324,525)	(1,426,004)	(17,701)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		1,216,724,474	304,539,984	(53,345,029)	11,362,260

Gains and losses arose solely from continuing activities. There were no gains and losses other than those dealt with in the statements of comprehensive income.

*Included in Net gain/(loss) on financial assets and liabilities at fair value through profit or loss caption in the Financial Statements for the year ended 30 September 2020.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2020
(CONTINUED)**

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
INCOME					
Interest income	2	134,902	77,379	48,241	8,805,213
Dividend income		2,848,245	1,008,809	136,433	94,697,011
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6	13,059,238	5,742,754	1,056,590	1,496,954,992
Net gain/(loss) on foreign exchange		(984,208)	(18,105)	6,963	(5,810,702)
TOTAL INVESTMENT INCOME/(LOSS)		15,058,177	6,810,837	1,248,227	1,594,646,514
EXPENSES					
Investment management fees	3	2,699,741	333,896	125,660	63,455,108
Transactions fees*	3	202,276	39,552	16,700	9,129,438
Administration fees	3	100,078	21,628	8,103	1,670,163
Depositary fees	3	54,240	10,667	2,676	1,799,143
Directors' fees	3	18,632	226	35	76,498
Audit fees	3	3,339	805	154	109,573
Legal fees		30,721	3,493	10,212	601,898
Other expenses		2,356	1,743	6,516	478,804
TOTAL EXPENSES		3,111,383	412,010	170,056	77,320,625
NET INCOME/(LOSS)		11,946,794	6,398,827	1,078,171	1,517,325,889
FINANCE COSTS					
Distributions to holders of redeemable participating shares	5	–	(543,414)	–	(18,185,671)
Interest expense		(200,084)	(532)	(612)	(416,385)
GAIN/(LOSS) FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX		11,746,710	5,854,881	1,077,559	1,498,723,833
Less: Capital withholding tax		–	–	–	(649,820)
Less: Withholding tax		(487,892)	(107,520)	(10,591)	(12,309,720)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		11,258,818	5,747,361	1,066,968	1,485,764,293

Gains and losses arose solely from continuing activities. There were no gains and losses other than those dealt with in the statements of comprehensive income.

*Included in Net gain/(loss) on financial assets and liabilities at fair value through profit or loss caption in the Financial Statements for the year ended 30 September 2020.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		Veritas Asian Fund	Veritas Global Focus	Veritas Global Equity	Veritas China Fund
	Note	Fund	Fund	Income Fund	Fund
		USD	USD	GBP	USD
Net Assets attributable to holders of redeemable participating shares at the start of the year		5,377,268,825	3,379,075,441	304,941,113	37,564,658
Foreign exchange movement arising on aggregation	2(a)	–	–	–	–
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		1,478,934,907	780,631,067	44,382,580	982,176
Proceeds from redeemable participating shares issued		4,001,327,021	650,501,410	18,800,612	31,524,879
Redemption of redeemable participating shares		(2,643,031,156)	(1,156,210,384)	(118,080,461)	(6,393,978)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR		8,214,499,597	3,653,997,534	250,043,844	63,677,735

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
Net Assets attributable to holders of redeemable participating shares at the start of the year		292,126,875	70,903,552	13,554,234	9,644,225,818
Foreign exchange movement arising on aggregation	2(a)	–	–	–	38,263,174
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		5,660,866	16,225,610	2,609,301	2,347,897,543
Proceeds from redeemable participating shares issued		96,069,820	3,467,656	284,163	4,844,374,237
Redemption of redeemable participating shares		(125,477,279)	(12,936,957)	(220,696)	(4,152,248,072)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR		268,380,282	77,659,861	16,227,002	12,722,512,700

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED 30 SEPTEMBER 2020

		Veritas Asian Fund	Veritas Global Focus Fund	Veritas Global Equity Income Fund	Veritas China Fund
	Note	USD	USD	GBP	USD
Net Assets attributable to holders of redeemable participating shares at the start of the year		2,395,477,966	3,327,903,677	513,091,183	23,902,407
Foreign exchange movement arising on aggregation	2(a)	—	—	—	—
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		1,216,724,474	304,539,984	(53,345,029)	11,362,260
Proceeds from redeemable participating shares issued		2,909,422,693	540,546,825	26,643,422	3,973,169
Redemption of redeemable participating shares		(1,144,356,308)	(793,915,045)	(181,448,463)	(1,673,178)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR		5,377,268,825	3,379,075,441	304,941,113	37,564,658

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE YEAR ENDED 30 SEPTEMBER 2020
(CONTINUED)**

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
Net Assets attributable to holders of redeemable participating shares at the start of the year		294,745,335	62,299,298	12,382,484	6,815,604,749
Foreign exchange movement arising on aggregation	2(a)	—	—	—	41,034,375
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		11,258,818	5,747,361	1,066,968	1,485,764,293
Proceeds from redeemable participating shares issued		105,975,197	4,630,838	203,574	3,627,918,885
Redemption of redeemable participating shares		(119,852,475)	(1,773,945)	(98,792)	(2,326,096,484)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR		292,126,875	70,903,552	13,554,234	9,644,225,818

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,478,934,907	780,631,067	44,382,580
Adjustment for:			
- Interest income	(201,208)	(48,860)	(6,995)
- Interest expense	24,038	10,677	3,744
- Distributions to holders of redeemable participating shares	–	213,680	8,021,293
- Dividend income	(65,971,206)	(36,766,535)	(9,976,804)
- Withholding tax	10,727,917	5,225,563	943,329
- Net (gain)/loss on foreign exchange	5,363,025	1,115,955	260,927
	1,428,877,473	750,381,547	43,628,074
Net (increase)/decrease in financial assets at fair value through profit or loss	(2,600,042,365)	(257,117,186)	54,722,517
Net (increase)/decrease in financial liabilities at fair value through profit or loss	–	(607,010)	(1,836)
(Increase)/decrease in margin accounts	–	–	–
Net (increase)/decrease in due from/to brokers	(62,626,361)	(24,873,125)	(2,302,254)
(Increase)/Decrease in other operating debtors	878	–	–
Increase/(Decrease) in other operating creditors	(857,536)	(2,057,934)	(301,485)
Cash (used in)/provided by operations	(1,234,647,911)	465,726,292	95,745,016
Interest received	201,208	48,860	6,995
Interest paid	(24,038)	(10,677)	(3,744)
Dividend received	65,899,774	39,008,485	10,943,477
Taxation paid	(10,727,917)	(5,225,563)	(943,329)
Net cash (outflow)/inflow from operating activities	(1,179,298,884)	499,547,397	105,748,415
Cash flows from financing activities			
Distributions paid to holders of redeemable participating shares	(1,075,285)	(1,223,496)	(10,422,867)
Proceeds from redeemable participating shares issued	3,963,351,856	650,644,201	18,697,214
Payment on redemption of redeemable participating shares	(2,630,987,957)	(1,152,693,303)	(118,456,755)
Net cash inflow/(outflow) from financing activities	1,331,288,614	(503,272,598)	(110,182,408)
Net increase/(decrease) in cash and cash equivalents	151,989,730	(3,725,201)	(4,433,993)
Cash and cash equivalents at beginning of year	136,641,279	55,410,903	9,059,148
Net gain/(loss) on foreign exchange	(5,363,025)	(1,115,955)	(260,927)
Exchange adjustment due to currency conversion	–	–	–
Cash and cash equivalents at end of year	283,267,984	50,569,747*	4,364,228*

*Cash and cash equivalents include bank overdraft.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Veritas China Fund USD	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	982,176	5,660,866	16,225,610
Adjustment for:			
- Interest income	(9,496)	(2,131)	(2,446)
- Interest expense	581	137,331	197
- Distributions to holders of redeemable participating shares	–	–	289,159
- Dividend income	(383,016)	(2,616,296)	(826,623)
- Withholding tax	32,298	378,302	107,645
- Net (gain)/loss on foreign exchange	48,348	(72,180)	27,397
	670,891	3,485,892	15,820,939
Net (increase)/decrease in financial assets at fair value through profit or loss	(23,382,880)	27,063,252	(5,109,387)
Net (increase)/decrease in financial liabilities at fair value through profit or loss	–	(37,336)	–
(Increase)/decrease in margin accounts	1	5,312,041	–
Net (increase)/decrease in due from/to brokers	(888,627)	(3,669,032)	(2,327,208)
(Increase)/Decrease in other operating debtors	52,504	26	42,331
Increase/(Decrease) in other operating creditors	124	(251,584)	(26,540)
Cash (used in)/provided by operations	(23,547,987)	31,903,259	8,400,135
Interest received	9,496	2,131	2,446
Interest paid	(581)	(137,331)	(197)
Dividend received	383,016	2,673,795	893,987
Taxation paid	(32,298)	(378,302)	(107,645)
Net cash (outflow)/inflow from operating activities	(23,188,354)	34,063,552	9,188,726
Cash flows from financing activities			
Distributions paid to holders of redeemable participating shares	–	–	(578,765)
Proceeds from redeemable participating shares issued	31,235,185	97,622,521	3,692,656
Payment on redemption of redeemable participating shares	(6,394,268)	(125,466,511)	(12,936,957)
Net cash inflow/(outflow) from financing activities	24,840,917	(27,843,990)	(9,823,066)
Net increase/(decrease) in cash and cash equivalents	1,652,563	6,219,562	(634,340)
Cash and cash equivalents at beginning of year	7,796,239	151,999	3,190,721
Net gain/(loss) on foreign exchange	(48,348)	72,180	(27,397)
Exchange adjustment due to currency conversion	–	–	–
Cash and cash equivalents at end of year	9,400,454	6,443,741*	2,528,984

*Cash and cash equivalents include bank overdraft.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Veritas Third Eye Global Emerging Markets Fund USD	Total** USD
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	2,609,301	2,347,897,543
Adjustment for:		
- Interest income	(487)	(274,991)
- Interest expense	640	229,279
- Distributions to holders of redeemable participating shares	–	11,484,791
- Dividend income	(196,725)	(121,385,319)
- Withholding tax	16,321	17,919,189
- Net (gain)/loss on foreign exchange	1,923	6,815,062
	2,430,973	2,262,685,554
Net (increase)/decrease in financial assets at fair value through profit or loss	(3,383,367)	(2,777,062,289)
Net (increase)/decrease in financial liabilities at fair value through profit or loss	–	(660,640)
(Increase)/decrease in margin accounts	–	7,272,716
Net (increase)/decrease in due from/to brokers	(59)	(98,890,668)
(Increase)/Decrease in other operating debtors	50,587	146,336
Increase/(Decrease) in other operating creditors	(8,875)	(3,783,091)
Cash (used in)/provided by operations	(910,741)	(610,292,082)
Interest received	487	274,991
Interest paid	(640)	(229,279)
Dividend received	187,516	125,016,186
Taxation paid	(16,321)	(17,919,189)
Net cash (outflow)/inflow from operating activities	(739,699)	(503,149,373)
Cash flows from financing activities		
Distributions paid to holders of redeemable participating shares	–	(17,147,493)
Proceeds from redeemable participating shares issued	284,787	4,808,917,058
Payment on redemption of redeemable participating shares	(220,696)	(4,137,188,524)
Net cash inflow/(outflow) from financing activities	64,091	654,581,041
Net increase/(decrease) in cash and cash equivalents	(675,608)	151,431,668
Cash and cash equivalents at beginning of year	717,152	215,616,608
Net gain/(loss) on foreign exchange	(1,923)	(6,815,062)
Exchange adjustment due to currency conversion	–	(286,900)
Cash and cash equivalents at end of year	39,621	359,946,314*

*Cash and cash equivalents include bank overdraft.

** The figures have been adjusted to account for balances held in the name of the Company on cash collection accounts. The total adjustment to Cash and cash equivalents is USD (379,901).

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,216,724,474	304,539,984	(53,345,029)
Adjustment for:			
– Interest income	(3,562,149)	(4,784,942)	(80,842)
– Interest expense	24,292	114,993	9,722
– Distributions to holders of redeemable participating shares	1,120,051	1,264,412	11,963,144
– Dividend income	(34,314,557)	(36,182,022)	(15,062,648)
– Withholding tax	5,058,220	5,324,525	1,426,004
– Net (gain)/loss on foreign exchange	3,100,605	1,322,832	85,393
	1,188,150,936	271,599,782	(55,004,256)
Net (increase)/decrease in financial assets at fair value through profit or loss	(3,312,627,937)	(553,462,216)	192,071,131
Net (increase)/decrease in financial liabilities at fair value through profit or loss	-	953,606	(12,212)
(Increase)/decrease in margin accounts	120,709,950	-	-
Net (increase)/decrease in due from/to brokers	(18,508,812)	25,200,809	39,083,327
(Increase)/Decrease in other operating debtors	(1,569)	(1,174)	-
Increase/(Decrease) in other operating creditors	1,247,002	(4,579,704)	(2,053,804)
Cash (used in)/provided by operations	(2,021,030,430)	(260,288,897)	174,084,186
Interest received	3,565,831	5,217,504	80,842
Interest paid	(24,292)	(114,993)	(9,722)
Dividend received	33,357,497	36,220,853	15,213,156
Taxation paid	(5,058,220)	(5,324,525)	(1,426,004)
Net cash (outflow)/inflow from operating activities	(1,989,189,614)	(224,290,058)	187,942,458
Cash flows from financing activities			
Distributions paid to holders of redeemable participating shares	(6,887,740)	(5,619,241)	(16,752,546)
Proceeds from redeemable participating shares issued	2,973,746,530	538,106,398	26,816,765
Payment on redemption of redeemable participating shares	(1,139,671,815)	(822,533,407)	(223,000,665)
Net cash inflow/(outflow) from financing activities	1,827,186,975	(290,046,250)	(212,936,446)
Net increase/(decrease) in cash and cash equivalents	(162,002,639)	(514,336,308)	(24,993,988)
Cash and cash equivalents at beginning of year	301,744,523	571,070,043	34,138,529
Net gain/(loss) on foreign exchange	(3,100,605)	(1,322,832)	(85,393)
Exchange adjustment due to currency conversion	-	-	-
Cash and cash equivalents at end of year	136,641,279	55,410,903*	9,059,148

*Cash and cash equivalents include bank overdraft.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONTINUED)

	Veritas China Fund USD	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD
Cash flows from operating activities			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	11,362,260	11,258,818	5,747,361
Adjustment for:			
– Interest income	(57,342)	(134,902)	(77,379)
– Interest expense	8,369	200,084	532
– Distributions to holders of redeemable participating shares	-	-	543,414
– Dividend income	(211,637)	(2,848,245)	(1,008,809)
– Withholding tax	17,701	487,892	107,520
– Net (gain)/loss on foreign exchange	11,954	984,208	18,105
	11,131,305	9,947,855	5,330,744
Net (increase)/decrease in financial assets at fair value through profit or loss	(17,963,426)	(49,901,022)	(18,340,466)
Net (increase)/decrease in financial liabilities at fair value through profit or loss	-	(712,237)	-
(Increase)/decrease in margin accounts	869,948	(8,497,124)	-
Net (increase)/decrease in due from/to brokers	343,325	3,738,231	2,319,231
(Increase)/Decrease in other operating debtors	(52,280)	(26)	(42,331)
Increase/(Decrease) in other operating creditors	(14,666)	(750,361)	(43,766)
Cash (used in)/provided by operations	(5,685,794)	(46,174,684)	(10,776,588)
Interest received	57,521	134,902	77,379
Interest paid	(8,369)	(200,084)	(532)
Dividend received	211,637	2,944,624	1,006,764
Taxation paid	(17,701)	(487,892)	(107,520)
Net cash (outflow)/inflow from operating activities	(5,442,706)	(43,783,134)	(9,800,497)
Cash flows from financing activities			
Distributions to holders of redeemable participating shares	(27,763)	(542,145)	(848,512)
Proceeds from redeemable participating shares issued	3,939,024	113,108,612	4,405,838
Payment on redemption of redeemable participating shares	(1,672,878)	(120,134,999)	(1,773,945)
Net cash inflow/(outflow) from financing activities	2,238,383	(7,568,532)	1,783,381
Net increase/(decrease) in cash and cash equivalents	(3,204,323)	(51,351,666)	(8,017,116)
Cash and cash equivalents at beginning of year	11,012,516	52,487,873	11,225,942
Net gain/(loss) on foreign exchange	(11,954)	(984,208)	(18,105)
Exchange adjustment due to currency conversion	-	-	-
Cash and cash equivalents at end of year	7,796,239	151,999*	3,190,721

*Cash and cash equivalents include bank overdraft.

The notes to the financial statements form an integral part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2020 (CONTINUED)

	Veritas Third Eye Global Emerging Markets Fund USD	Total** 2020 USD
Cash flows from operating activities		
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,066,968	1,485,764,293
Adjustment for:		
– Interest income	(48,241)	(8,805,213)
– Interest expense	612	416,385
– Distributions to holders of redeemable participating shares	-	18,185,671
– Dividend income	(136,433)	(94,697,011)
– Withholding tax	10,591	12,959,540
– Net (gain)/loss on foreign exchange	(6,963)	5,810,702
	886,534	1,419,634,367
Net (increase)/decrease in financial assets at fair value through profit or loss	(10,310,908)	(3,731,381,196)
Net (increase)/decrease in financial liabilities at fair value through profit or loss	-	29,644
(Increase)/decrease in margin accounts	-	110,742,666
Net (increase)/decrease in due from/to brokers	(1,218)	63,967,950
(Increase)/Decrease in other operating debtors	(50,587)	(147,974)
Increase/(Decrease) in other operating creditors	(17,734)	(6,969,997)
Cash (used in)/provided by operations	(9,493,913)	(2,144,124,540)
Interest received	48,241	9,241,636
Interest paid	(612)	(416,385)
Dividend received	133,637	94,088,821
Taxation paid	(10,591)	(12,959,540)
Net cash (outflow)/inflow from operating activities	(9,323,238)	(2,054,170,008)
Cash flows from financing activities		
Distributions to holders of redeemable participating shares	-	(35,440,905)
Proceeds from redeemable participating shares issued	202,933	3,698,861,549
Payment on redemption of redeemable participating shares	(98,792)	(2,403,356,190)
Net cash inflow/(outflow) from financing activities	104,141	1,260,064,454
Net increase/(decrease) in cash and cash equivalents	(9,219,097)	(794,105,554)
Cash and cash equivalents at beginning of year	9,929,286	1,010,914,929
Net gain/(loss) on foreign exchange	6,963	(5,810,702)
Exchange adjustment due to currency conversion	-	4,617,935
Cash and cash equivalents at end of year	717,152	215,616,608*

*Cash and cash equivalents include bank overdraft.

** The figures have been adjusted to account for balances held in the name of the Company on cash collection accounts. The total adjustment to Cash and cash equivalents is USD 45,176.

The notes to the financial statements form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General

Veritas Funds Plc (the “Company”) was incorporated in Ireland on 24 April 2001 with registered number 342215, as an open-ended investment company with variable capital and limited liability under the Companies Act, 2014. The Company is authorised by the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). Listing and trading of all the share classes of the Company on the Irish Stock Exchange was cancelled with effect from 14 July 2017. The Company has implemented a remuneration policy pursuant to Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards to depositary functions, remuneration policies and sanctions (the “UCITS V Directive”).

The Company is an umbrella type structure with segregated liability between sub-funds (the “Sub-Funds”), in which different Sub-Funds may be issued from time to time with the prior approval of the Central Bank of Ireland. The Company is a public company, and the registered office is located in 70 Sir John Rogerson’s Quay, Dublin 2, Ireland. As at 30 September 2021, the Company has seven Sub-Funds in existence, Veritas Asian Fund, Veritas Global Focus Fund, Veritas Global Equity Income Fund, Veritas China Fund, Veritas Global Real Return Fund, Veritas Izoard Fund and Veritas Third Eye Global Emerging Markets Fund.

2. Principal accounting policies

The significant accounting policies adopted by the Company are as follows:

Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB) as adopted for use in the European Union and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and with the Companies Act, 2014. The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and these differences may be material. The accounting policies have been applied consistently by the Company and are consistent with those used in the previous period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

The format and certain wordings on the financial statements have been adapted from those contained in IFRS and adopted by the EU and the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business as an investment fund.

All investments of the Sub-Funds, for dealing purposes, are valued in accordance with the valuation policies outlined in the Company's offering documents, at prices as at 12 noon Irish time.

For these Financial Statements a separate valuation was prepared for each Sub-Fund at last traded prices to close of business 30 September 2021. A reconciliation between the last dealing NAV of the year, 30 September 2021 and the NAV used for Financial Statements purposes is provided in note 13.

Foreign currency translation

a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates. This is United States Dollar for Veritas Asian Fund, Veritas Global Focus Fund, Veritas China Fund, Veritas Izoard Fund and Veritas Third Eye Global Emerging Markets Fund and Pound Sterling for Veritas Global Equity Income Fund and Veritas Global Real Return Fund. The Company has also adopted these currencies as the presentation currency of the Sub-Funds. The overall Company total is presented in United States Dollars.

For the purpose of aggregating the financial statements of the Sub-Funds, the Statement of Financial Position figures for Veritas Global Equity Income Fund and Veritas Global Real Return Fund have been translated to US Dollars at the exchange rate ruling at year end. Statement of Comprehensive Income movements and capital transactions have been translated at the average exchange rate for the year. The resulting notional gain or loss has no effect on the Net Asset Value per Share attributable to the individual Sub-Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

b) Transactions and balances

Monetary assets and liabilities denominated in currencies other than the functional currency are translated to the functional currency at the closing rates of exchange at year end. Non-monetary assets and liabilities denominated in currencies other than the functional currency are translated using the exchange rates at the date when the fair value was determined. Transactions during the year are translated at the rate of exchange prevailing on the date of the transaction.

Income from investments

Interest income is recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method.

Dividend income is credited to the Statement of Comprehensive Income on the date on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, overnight deposits and other short term highly liquid investments with original maturities of three months or less.

Margin Cash

Margin cash provided by the Company is identified separately in the Statement of Financial Position as margin cash and is not included as a component of cash and cash equivalents.

Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

Financial assets and liabilities at fair value through profit or loss

(i) Classification

The Company has designated its investments into the financial assets and liabilities at fair value through profit or loss category. This category has two sub-categories: financial assets and liabilities held for trading, and those designated by management at fair value through profit or loss at inception. All financial assets and liabilities at fair value through profit or loss are measured at fair value.

Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term.

All investments have been categorised as financial assets and liabilities at fair value through profit or loss.

(ii) Recognition

Purchases and sales of financial instruments are accounted for at trade date - the date on which the Company commits to purchase or sell the asset. Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out (FIFO) method.

(iii) Measurement

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised in the Statement of Comprehensive Income. Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are included in the Statement of Comprehensive Income in the period in which they arise.

(iv) Fair value measurement principles

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

Financial assets and liabilities at fair value through profit or loss (continued)

(iv) Fair value measurement principles (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the Statement of Financial Position date applicable to an instrument with similar terms and conditions.

Where other pricing models are used, inputs are based on market data at the Statement of Financial Position date. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

(v) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired.

Distributions to holders of redeemable participating shares

Distributions to holders of redeemable participating shares are recorded in the Statement of Comprehensive Income as finance costs when authorised.

Contracts for Difference

Contracts for difference ("CFD") are agreements between the Company and third parties which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. Upon entering into a CFD, the Company is required to deposit with a broker initial cash margin equal to a certain percentage of the contract amount. Variation margin payments are made or received by the Company depending upon the fluctuation in the value of the underlying securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed or when the contract is re-set. CFDs are fair valued as the change in market value of the underlying security applied to the notional amount of the CFD held at the end of the year, representing the unrealised gain or loss on these CFDs. The market value of the underlying security is determined by reference to the quoted market price available on a recognised stock exchange.

All income accruing to the underlying securities in the CFDs and the financing charges associated with the CFD trading are accrued by the Company on an accruals basis and is recognised in the Statement of Comprehensive Income as part of the net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

Financial assets and liabilities at fair value through profit or loss (continued)

Forward foreign exchange contracts

All forward foreign exchange contracts are fair valued using forward exchange rates prevailing at the relevant valuation date for the remaining period to maturity and any resulting unrealised gains are recorded as assets and any unrealised losses are recorded as liabilities in the Statement of Financial Position. Realised gains and losses are recorded in the Statement of Comprehensive Income at the time the forward foreign exchange contract settles. Realised and unrealised gains and losses applicable to forward foreign exchange contracts entered into at Sub-Fund level are allocated at Sub-fund level. In relation to class specific forward foreign exchange contracts, the realised and unrealised gains and losses and transaction costs are allocated solely to those share classes.

Futures

Futures are valued at fair value based on the settlement price on the relevant valuation date.

Futures are contracts for delayed delivery of commodities in which the seller agrees to make delivery at a specific future date of a specific commodity, at a specified price or yield. Gains and losses on futures are recorded by the Sub-Funds based on market fluctuations and are recorded as realised or unrealised gains/(losses) or interest income dependent upon settlement terms of the contracts held.

Options

An option is a contractual agreement under which the seller (writer) grants the purchaser (buyer) the right, but not the obligation, to either buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by the Company can be exchange-traded or privately negotiated over-the-counter ("OTC"). The Company is exposed to credit risk on purchased options only to the extent of their amount, which is their fair value. Options are settled on gross basis.

Warrants

Warrants are valued at fair value based on the quoted market price as provided by electronic feed from one or more reputable price vendors. The change in fair value, if any, is recorded as an unrealised gain or loss in the Statement of Comprehensive Income. Realised gains or losses on warrants are shown in the Statement of Comprehensive Income. On the expiry of a warrant the amount previously recognised in the Statement of Financial Position is recognised in the Statement of Comprehensive Income as a realised gain or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

2. Principal accounting policies (continued)

Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position and Statement of Comprehensive Income where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the particular Sub-Fund's net asset value. The redeemable participating share is carried at the redemption amount that is payable at the year end date if the shareholder exercised its right to put the share back to the Sub-Fund.

Equalisation is operated in connection with the issue and redemption of shares. It represents the income element included in the price for the issue and redemption of shares.

Listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded prices as at 12 noon on the valuation day for the purpose of determining net asset value per share for subscriptions and redemptions and for various fee calculations. The Company has adopted IFRS 13 and changed its valuation input for financial assets and liabilities measured at fair value, based on a quoted price in an active market, to last traded prices in cases where the last traded price falls within the bid-ask spread (last traded price cannot be used where it falls outside of the bid-ask spread). As all of the last traded prices for the Company's financial assets and liabilities fall within the bid-ask spread, there is no variance, other than those due to timing between the Net Assets per the financial statements and the published Net Asset Value disclosed in Note 13.

Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

3. Fees and expenses

Investment management fees

The Investment Manager is entitled to the following annual fees. These fees are all based on the Net Asset Value of the Sub-Fund as at the Valuation Point prior to the last Dealing Day of each month. The fees shall be paid monthly in arrears.

	Veritas Asian Fund	Veritas Global Focus Fund	Veritas Global Equity Income Fund	Veritas China Fund	Veritas Global Real Return Fund	Veritas Izoard Fund	Veritas Third Eye Global Emerging Markets Fund
A Class Shares ¹	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
B Class Shares ²	1.50%	1.50%	1.50%	1.50%	1.50%	0.65%	1.50%
C Class Shares ³	0.75%	0.75%	0.75%	0.75%	N/A	0.50%	0.85%
D Class Shares ⁴	0.75%	0.75%	0.75%	0.75%	0.85%	N/A	N/A
E Class Shares ⁵	N/A	0.75%	1.50%	N/A	0.85%	N/A	N/A

¹ This represents the GBP A Class Shares, the USD A Class Shares and the EUR A Class Shares (together “A Class Shares”).

² This represents the GBP B Class Shares, the USD B Class Shares and the EUR B Class Shares (together “B Class Shares”).

³ This represents the GBP C Class Shares, the USD C Class Shares and the EUR C Class Shares (together “C Class Shares”).

⁴ This represents the GBP D Class Shares, the USD D Class Shares and the EUR D Class Shares (together “D Class Shares”).

⁵ This represents the GBP E Class Shares, the USD E Class Shares, the EUR E Class Shares and NOK E Class Shares (together “E Class Shares”).

The Investment Manager is also entitled to be paid out of the assets of the Sub-Funds reasonable out-of-pocket expenses (plus VAT if any). The Investment Manager has not claimed any out-of-pocket expenses during the year ended 30 September 2021 and 30 September 2020. The Investment Management fees for the year amounted to USD 101,688,470 (2020: USD 63,455,108) of which USD 8,545,343 (2020: USD 12,458,500) was payable at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

3. Fees and expenses (continued)

Depository fees

Brown Brothers Harriman Trustee Services (Ireland) Limited, the “Depository”, receives a monthly fee at the applicable annual rate specified in the table below based on the aggregate net asset value of the Company.

Aggregate Net Assets (USD)	Rate (basis points)
First 4 billion	0.80
Above 4 billion	0.60

Sub-depository fees and agent charges will be recoverable out of the assets of the Sub-Fund and are at normal commercial rates. The Depository is also entitled to be paid out of the assets of the Sub-Fund reasonable out-of-pocket expenses (plus VAT, if any).

The depository fee for the year amounted to USD 3,373,155 (2020: USD 1,799,143) of which USD 706,103 (2020: USD 475,913) was payable at the year end.

Administration fees

Brothers Harriman Fund Administration Services (Ireland) Limited, the “Administrator”, receives an annual fee at the applicable rate specified in the table below based on the total net asset value of the Company that is advised by the Investment Manager.

Total Net Assets (USD)	Rate (basis points)
First 4 billion	1.10
4 – 8 billion	0.90
8 – 12 billion	0.65
Above 12 billion	0.45

The administration fee is subject to a minimum monthly charge of USD 3,000.

Additional services and management information will be subject to a fee based on time and charges. The Administrator is also entitled to be paid out of the assets of the Sub-Fund reasonable out-of-pocket expenses (plus VAT, if any).

The administration fee for the year amounted to USD 2,325,718 (2020: USD 1,670,163) of which USD 650,245 (2020: USD 477,200) was payable at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

3. Fees and expenses (continued)

Directors' fees

The Directors are entitled to an annual fee as remuneration for their services per annum plus reasonable out of pocket expenses. The total of such remuneration for the current year is USD 48,939 (2020: USD 76,498) of which USD 36,165 (2020: USD 45,611) is payable at year end. Mr Mike Kirby, Mr Brian Wilkinson and Mr Michael Morris are entitled to receive a maximum of EUR 25,000 each per annum as remuneration for their services. During 2021, Mr Richard Grant retired from the executive role at Veritas Asset Management however retained his position on the Board of Veritas Funds Plc. Mr Richard Grant has waived his entitlement to Directors' fees for the financial year ended 30 September 2021. He will receive a maximum of EUR 25,000 per annum from 1 January 2022. Ms Nicola Lakin was appointed to the Board on 15 April 2021 and is a Managing Partner at the Investment Manager and will therefore waive her entitlement to Directors' fees.

Transaction costs

The below table provides an analysis of the total transaction costs for the year ended 30 September 2021.

	Veritas Asian Fund USD 30 Sep 2021	Veritas Global Focus Fund USD 30 Sep 2021	Veritas Global Equity Income Fund GBP 30 Sep 2021	Veritas China Fund USD 30 Sep 2021	Veritas Global Real Return Fund GBP 30 Sep 2021
Total transaction costs	13,009,103	846,561	88,589	219,932	100,990
	Veritas Izoard Fund USD 30 Sep 2021	Veritas Third Eye Global Emerging Markets Fund USD 30 Sep 2021	Total USD 30 Sep 2021		
Total transaction costs	15,508	15,333	14,365,990		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

3. Fees and expenses (continued)

Transaction costs (continued)

The below table provides an analysis of the total transaction costs for the year ended 30 September 2020.

	Veritas Asian Fund USD 30 Sep 2020	Veritas Global Focus Fund USD 30 Sep 2020	Veritas Global Equity Income Fund GBP 30 Sep 2020	Veritas China Fund USD 30 Sep 2020	Veritas Global Real Return Fund GBP 30 Sep 2020
Total transaction costs	6,814,557	1,561,381	266,389	99,513	202,276

	Veritas Izoard Fund USD 30 Sep 2020	Veritas Third Eye Global Emerging Markets Fund USD 30 Sep 2020	Total USD 30 Sep 2020
Total transaction costs	39,552	16,700	9,129,438

Auditors' fees

Audit fees for the year ended 30 September 2021 amounted to USD 123,336 (2020: USD 109,573) and the amount outstanding as at 30 September 2021 was USD 123,336 (2020: USD 109,573). Fees and expenses earned by the statutory auditors, PricewaterhouseCoopers, in respect of the financial period are as follows:

	30 Sep 2021 USD	30 Sep 2020 USD
Audit of financial statements	123,336	109,573
Tax advisory services	93,275	108,502
Total	<u>216,611</u>	<u>218,075</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

4. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, ended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, are held by the Company or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

India's Central Board of Direct Taxes has withdrawn the exemptions provided under Section 10 of the Income-tax Act, 1961 and has introduced a new section, 112A in the Act through clause 31 of the Finance Bill, 2018.

Accordingly, long-term capital gains arising from transfer of long-term capital asset exceeding INR100,000 will be taxed at a concessional rate of 10% without indexation benefit, plus applicable cess and surcharge. The tax will be imposed only on long-term capital asset transfers that take place after 1 April 2018 and will be calculated by subtracting the cost of acquisition (on or before 31 January 2018) from the full value of the consideration on the asset transfer. Gains accrued up to 31 January 2018 will continue to be exempted.

On 14 November 2014, the Ministry of Finance ("MOF") and the State Administration of Taxation ("SAT") of People's Republic of China ("PRC") issued a notice regarding the tax treatment of capital gains derived by Qualified Foreign Institutional Investors ("QFIIs"). Under the notice, the MOF and SAT granted a temporary exemption from tax on capital gains derived by QFIIs from trading equity investments with effect from November 17, 2014. Although the notice states the exemption from tax on capital gains is temporary, no end date was provided. Currently, a 10% PRC withholding tax rate is imposed on dividends and interests obtained by the Sub-Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

5. Distributions

In accordance with the Sub-Funds' constitution, the Sub-Funds may distribute its distributable income to shareholders and may declare dividends on class of Shares. Distributions will not be paid without prior notice to Shareholders.

The Directors have obtained confirmation from HM Revenue & Customs that the entry of the Company into the Reporting Fund regime was accepted with effect from 1 October 2010.

It is intended that the Company will conduct its affairs so as to ensure that the shares will qualify for reporting fund status throughout its life. However, though the Directors will endeavour to ensure that the Shares qualify for reporting fund status throughout its life, this cannot be guaranteed. Not all share classes will be suitable for qualification under the Reporting Fund regime.

Under the reporting status regime, UK resident holders of an interest in a reporting fund will be subject to UK income tax or corporation tax on the share of the reporting Sub-Funds' income attributable to their holding in the Sub-Funds', whether or not distributed. Any gains will continue to be subject to capital gains tax or corporation tax on chargeable gains.

Distributions made are also subject to equalisation. Equalisation is operated in connection with the issue and redemption of shares. It represents the income element included in the price for the issue and redemption of shares.

Distribution for the year ended 30 September 2021	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Net distribution for the year	-	(194,559)	(7,367,808)	-	-
Add: Equalisation income received on issue of shares	-	-	-	-	-
Deduct: Equalisation income paid on redemption of shares	-	(19,121)	(653,485)	-	-
Total distributions paid	-	(213,680)	(8,021,293)	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

5. Distributions (continued)

Distribution for the year ended 30 September 2021	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	30 Sep 2021 Total USD
Net distribution for the year	(268,824)	-	(10,550,649)
Add: Equalisation income received on issue of shares	5,159	-	5,159
Deduct: Equalisation income paid on redemption of shares	(25,494)	-	(939,301)
Total distributions paid	(289,159)	-	(11,484,791)

Distribution for the year ended 30 September 2020	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Net distribution for the year	(1,075,285)	(1,204,374)	(11,203,934)	-	-
Add: Equalisation income received on issue of shares	3,903	25,217	-	-	-
Deduct: Equalisation income paid on redemption of shares	(48,669)	(85,255)	(759,210)	-	-
Total distributions paid	(1,120,051)	(1,264,412)	(11,963,144)	-	-

Distribution for the year ended 30 September 2020	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	30 Sep 2020 Total USD
Net distribution for the year	(558,430)	-	(17,127,587)
Add: Equalisation income received on issue of shares	15,016	-	44,136
Deduct: Equalisation income paid on redemption of shares	-	-	(1,102,220)
Total distributions paid	(543,414)	-	(18,185,671)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

5. Distributions (continued)

The dividends paid for the year ended 30 September 2021 were as follows (Share Class represents the names of the Share Classes in existence as at the year ended 30 September 2021):

Fund	Share Class	Date	Gross Amount
Veritas Global Equity Income Fund	EUR A Class Shares	31 March 2021	EUR 55,312
Veritas Global Equity Income Fund	EUR B Class Shares	31 March 2021	EUR 10,152
Veritas Global Equity Income Fund	EUR D Class Shares	31 March 2021	EUR 11,958
Veritas Global Equity Income Fund	GBP A Class Shares	31 March 2021	GBP 537,743
Veritas Global Equity Income Fund	GBP B Class Shares	31 March 2021	GBP 70,537
Veritas Global Equity Income Fund	GBP D Class Shares	31 March 2021	GBP 1,738,748
Veritas Global Equity Income Fund	USD A Class Shares	31 March 2021	USD 52,364
Veritas Global Equity Income Fund	USD B Class Shares	31 March 2021	USD 162,956
Veritas Global Equity Income Fund	USD D Class Shares	31 March 2021	USD 34,198
Veritas Global Equity Income Fund	USD E Class Shares	31 March 2021	USD 22,045
Veritas Global Equity Income Fund	EUR A Class Shares	30 September 2021	EUR 106,197
Veritas Global Equity Income Fund	EUR B Class Shares	30 September 2021	EUR 16,808
Veritas Global Equity Income Fund	EUR D Class Shares	30 September 2021	EUR 21,387
Veritas Global Equity Income Fund	GBP A Class Shares	30 September 2021	GBP 998,802
Veritas Global Equity Income Fund	GBP B Class Shares	30 September 2021	GBP 123,037
Veritas Global Equity Income Fund	GBP D Class Shares	30 September 2021	GBP 3,152,133
Veritas Global Equity Income Fund	USD A Class Shares	30 September 2021	USD 101,956
Veritas Global Equity Income Fund	USD B Class Shares	30 September 2021	USD 303,246
Veritas Global Equity Income Fund	USD D Class Shares	30 September 2021	USD 37,891
Veritas Global Equity Income Fund	USD E Class Shares	30 September 2021	USD 39,369
Veritas Global Focus Fund	EUR D Class Shares	30 September 2021	EUR 830
Veritas Global Focus Fund	GBP D Class Shares	30 September 2021	GBP 112,973
Veritas Global Focus Fund	USD D Class Shares	30 September 2021	USD 41,830
Veritas Izoard Fund	GBP C Class Shares	30 September 2021	GBP 127,804
Veritas Izoard Fund	USD C Class Shares	30 September 2021	USD 97,132

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

5. Distributions (continued)

The dividends paid for the year ended 30 September 2020 were as follows (Share Class represents the names of the Share Classes in existence as at the year ended 30 September 2020):

Fund	Share Class	Date	Gross Amount
Veritas Asian Fund	EUR D Class Shares	30 September 2020	EUR 3,995
Veritas Asian Fund	GBP D Class Shares	30 September 2020	GBP 527,764
Veritas Asian Fund	USD D Class Shares	30 September 2020	USD 393,643
Veritas Global Focus Fund	EUR A Class Shares	30 September 2020	EUR 32,466
Veritas Global Focus Fund	GBP A Class Shares	30 September 2020	GBP 93,104
Veritas Global Focus Fund	USD A Class Shares	30 September 2020	USD 62,189
Veritas Global Focus Fund	EUR D Class Shares	30 September 2020	EUR 8,433
Veritas Global Focus Fund	GBP D Class Shares	30 September 2020	GBP 614,119
Veritas Global Focus Fund	USD D Class Shares	30 September 2020	USD 187,137
Veritas Global Equity Income Fund	EUR A Class Shares	31 March 2020	EUR 78,851
Veritas Global Equity Income Fund	GBP A Class Shares	31 March 2020	GBP 775,333
Veritas Global Equity Income Fund	USD A Class Shares	31 March 2020	USD 60,529
Veritas Global Equity Income Fund	EUR B Class Shares	31 March 2020	EUR 10,312
Veritas Global Equity Income Fund	GBP B Class Shares	31 March 2020	GBP 86,984
Veritas Global Equity Income Fund	USD B Class Shares	31 March 2020	USD 191,712
Veritas Global Equity Income Fund	EUR D Class Shares	31 March 2020	EUR 24,972
Veritas Global Equity Income Fund	GBP D Class Shares	31 March 2020	GBP 2,781,015
Veritas Global Equity Income Fund	USD D Class Shares	31 March 2020	USD 97,781
Veritas Global Equity Income Fund	USD E Class Shares	31 March 2020	USD 21,349
Veritas Global Equity Income Fund	EUR A Class Shares	30 September 2020	EUR 109,455
Veritas Global Equity Income Fund	GBP A Class Shares	30 September 2020	GBP 1,517,526
Veritas Global Equity Income Fund	USD A Class Shares	30 September 2020	USD 103,611
Veritas Global Equity Income Fund	EUR B Class Shares	30 September 2020	EUR 18,945
Veritas Global Equity Income Fund	GBP B Class Shares	30 September 2020	GBP 158,654
Veritas Global Equity Income Fund	USD B Class Shares	30 September 2020	USD 326,551
Veritas Global Equity Income Fund	EUR D Class Shares	30 September 2020	EUR 33,152
Veritas Global Equity Income Fund	GBP D Class Shares	30 September 2020	GBP 4,868,719
Veritas Global Equity Income Fund	USD D Class Shares	30 September 2020	USD 121,688
Veritas Global Equity Income Fund	USD E Class Shares	30 September 2020	USD 46,716
Veritas Izoard Fund	GBP C Class Shares	30 September 2020	GBP 311,879
Veritas Izoard Fund	USD C Class Shares	30 September 2020	USD 158,383

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

6. Gains and losses from financial assets and liabilities at fair value through profit and loss

30 September 2021	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Financial assets and liabilities at fair value through profit or loss					
Realised gains/(losses)					
- Equity and debt investments and contracts for difference	876,116,264	384,188,015	10,363,287	4,944,997	34,119,361
- Forward contracts	—	342,056	(46,822)	—	(3,647,685)
- Futures contracts	—	—	—	—	(36,686,047)
Change in unrealised gains/(losses)					
- Equity and debt investments and contracts for difference	633,164,356	397,324,645	35,977,736	(3,297,250)	12,561,320
- Forward contracts	—	634,478	(24,925)	22	(2,341,146)
- Futures contracts	—	—	—	—	2,369,440
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	1,509,280,620	782,489,194	46,269,276	1,647,769	6,375,243

30 September 2021	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
Realised gains/(losses)			
- Equity and debt investments and contracts for difference	4,829,964	179,399	1,331,159,832
- Forward contracts	—	—	(4,716,093)
- Futures contracts	—	—	(50,226,867)
Change in unrealised gains/(losses)			
- Equity and debt investments and contracts for difference	11,435,819	2,468,953	1,107,551,345
- Forward contracts	—	—	(2,604,888)
- Futures contracts	—	—	3,244,000
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	16,265,783	2,648,352	2,384,407,329

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

6. Gains and losses from financial assets and liabilities at fair value through profit and loss (continued)

30 September 2020	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Financial assets and liabilities at fair value through profit or loss					
Realised gains/(losses)					
- Equity and debt investments and contracts for difference	348,360,118	210,325,093	7,643,419	8,482,829	17,730,279
- Forward contracts	(20)	1,123,094	(147,723)	–	(4,715,743)
- Futures contracts	–	–	–	–	(6,146,376)
Change in unrealised gains/(losses)					
- Equity and debt investments and contracts for difference	877,943,516	90,207,274	(58,621,485)	3,075,601	444,276
- Forward contracts	–	(908,543)	75,871	–	4,075,758
- Futures contracts	–	–	–	–	1,671,044
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	1,226,303,614	300,746,918	(51,049,918)	11,558,430	13,059,238

30 September 2020	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
Realised gains/(losses)			
- Equity and debt investments and contracts for difference	1,736,864	(465,629)	600,800,889
- Forward contracts	–	–	(5,079,791)
- Futures contracts	–	–	(7,839,088)
Change in unrealised gains/(losses)			
- Equity and debt investments and contracts for difference	4,005,890	1,522,219	902,555,288
- Forward contracts	–	–	4,386,445
- Futures contracts	–	–	2,131,249
Net gain/(loss) from financial assets and liabilities at fair value through profit or loss	5,742,754	1,056,590	1,496,954,992

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss

The following table presents the financial instruments carried on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 30 September 2021:

Veritas Asian Fund

30 September 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	7,013,212,159	–	–	7,013,212,159
Collective Investment Schemes	730,236,470	–	–	730,236,470
Equity Warrants	–	106,520,781	–	106,520,781
Total	7,743,448,629	106,520,781	–	7,849,969,410

Veritas Global Focus Fund

30 September 2021	Level 1 USD	Level 2 USD	Level 3* USD	Total USD
Financial assets at fair value through profit or loss				
Equities	3,400,450,834	–	–	3,400,450,834
Collective Investment Schemes	206,045,934	–	–	206,045,934
Forward Currency Contracts	–	76,295	–	76,295
Total	3,606,496,768	76,295	–	3,606,573,063

Financial liabilities at fair value through profit or loss

Forward Currency Contracts	–	(374,366)	–	(374,366)
Total	–	(374,366)	–	(374,366)

*RREEF China Commercial Trust with Nil investment value is classified under Level 3. It has been priced at Nil as all distributions relating to the investment have been disbursed to shareholders.

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

Veritas Global Equity Income Fund

30 September 2021	Level 1 GBP	Level 2 GBP	Level 3* GBP	Total GBP
Financial assets at fair value through profit or loss				
Equities	243,975,670	—	—	243,975,670
Collective Investment Schemes	266,208	—	—	266,208
Forward Currency Contracts	—	36,988	—	36,988
Total	244,241,878	36,988	—	244,278,866
Financial liabilities at fair value through profit or loss				
Forward Currency Contracts	—	(638)	—	(638)
Total	—	(638)	—	(638)

Veritas China Fund

30 September 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Bond	—	556,403	—	556,403
Equities	43,294,539	—	—	43,294,539
Collective Investment Schemes	6,001,978	—	—	6,001,978
Equity Warrants	—	3,635,787	—	3,635,787
Forward Currency Contracts	—	22	—	22
Total	49,296,517	4,192,212	—	53,488,729

*RREEF China Commercial Trust with Nil investment value is classified under Level 3. It has been priced at Nil as all distributions relating to the investment have been disbursed to shareholders.

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

Veritas Global Real Return Fund

30 September 2021	Level 1 GBP	Level 2 GBP	Level 3* GBP	Total GBP
Financial assets at fair value through profit or loss				
Equities	248,579,822	–	–	248,579,822
Collective Investment Schemes	636	–	–	636
Future Contracts	4,713,478	–	–	4,713,478
Forward Currency Contracts	–	1,087,555	–	1,087,555
Total	253,293,936	1,087,555	–	254,381,491
Financial liabilities at fair value through profit or loss				
Future Contract	(34,075)	–	–	(34,075)
Forward Currency Contracts	–	(71,663)	–	(71,663)
Total	(34,075)	(71,663)	–	(105,738)

Veritas Izoard Fund

30 September 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	75,405,710	–	–	75,405,710
Collective Investment Schemes	2,456	–	–	2,456
Total	75,408,166	–	–	75,408,166

Veritas Third Eye Global Emerging Markets Fund

30 September 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	13,128,840	–	–	13,128,840
Collective Investment Schemes	1,954	–	–	1,954
Equity Warrants	–	3,053,955	–	3,053,955
Total	13,130,794	3,053,955	–	16,184,749

*RREEF China Commercial Trust with Nil investment value is classified under Level 3. It has been priced at Nil as all distributions relating to the investment have been disbursed to shareholders.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

The following table presents the financial instruments carried on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 30 September 2020:

Veritas Asian Fund

30 September 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	4,816,552,830	—	—	4,816,552,830
Collective Investment Schemes	433,374,215	—	—	433,374,215
Total	5,249,927,045	—	—	5,249,927,045

Veritas Global Focus Fund

30 September 2020	Level 1 USD	Level 2 USD	Level 3* USD	Total USD
Financial assets at fair value through profit or loss				
Equities	3,349,406,629	—	—	3,349,406,629
Collective Investment Schemes	421	—	—	421
Forward Currency Contracts	—	48,827	—	48,827
Total	3,349,407,050	48,827	—	3,349,455,877

Financial liabilities at fair value through profit or loss				
Forward Currency Contracts	—	(981,376)	—	(981,376)
Total	—	(981,376)	—	(981,376)

*RREEF China Commercial with Nil investment value is classified under Level 3. It has been priced at Nil as all distributions relating to the investment have been disbursed to shareholders.

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

Veritas Global Equity Income Fund

30 September 2020	Level 1 GBP	Level 2 GBP	Level 3* GBP	Total GBP
Financial assets at fair value through profit or loss				
Equities	298,671,828	–	–	298,671,828
Collective Investment Schemes	265,806	–	–	265,806
Forward Currency Contracts	–	63,749	–	63,749
Total	298,937,634	63,749	–	299,001,383
Financial liabilities at fair value through profit or loss				
Forward Currency Contracts	–	(2,474)	–	(2,474)
Total	–	(2,474)	–	(2,474)

Veritas China Fund

30 September 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Bond	–	517,120	–	517,120
Equities	26,088,319	–	–	26,088,319
Collective Investment Schemes	3,500,410	–	–	3,500,410
Total	29,588,729	517,120	–	30,105,849

Veritas Global Real Return Fund

30 September 2020	Level 1 GBP	Level 2 GBP	Level 3* GBP	Total GBP
Financial assets at fair value through profit or loss				
Equities	275,634,667	–	–	275,634,667
Collective Investment Schemes	1	–	–	1
Future Contracts	2,309,963	–	–	2,309,963
Forward Currency Contracts	–	3,500,112	–	3,500,112
Total	277,944,631	3,500,112	–	281,444,743
Financial liabilities at fair value through profit or loss				
Forward Currency Contracts	–	(143,074)	–	(143,074)
Total	–	(143,074)	–	(143,074)

*RREEF China Commercial with Nil investment value is classified under Level 3. It has been priced at Nil as all distributions relating to the investment have been disbursed to shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Veritas Izoard Fund

30 September 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	68,298,334	—	—	68,298,334
Collective Investment Schemes	2,000,445	—	—	2,000,445
Total	70,298,779	—	—	70,298,779

Veritas Third Eye Global Emerging Markets Fund

30 September 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Equities	10,403,139	—	—	10,403,139
Collective Investment Schemes	802,411	—	—	802,411
Equity Warrants	—	1,595,832	—	1,595,832
Total	11,205,550	1,595,832	—	12,801,382

In determining an instrument's placement within the hierarchy, the Directors separate the Company's investment portfolio into two categories: investments and derivative instruments. Each of these categories can further be divided between financial assets or financial liabilities.

Investments

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. When observable prices are not available for these securities, the Directors uses one or more valuation techniques (e.g., the market approach or the income approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

Investments (continued)

The inputs used by the Directors in estimating the value of investments in collective investment schemes classified as level 3 includes the redemption value based on the net asset value of the respective collective investment scheme, as indicated by the management of the underlying collective investment schemes. Level 3 investments may also be adjusted to reflect illiquidity and/or non-transferability, with the amount of such discount estimated by the Directors in the absence of market information. Assumptions used by the Directors due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Company's results of operations.

Derivative Instruments

Derivative instruments can be exchange-traded or privately negotiated over-the-counter ("OTC"). OTC derivatives, such as generic forward foreign exchange contracts and CFD's have inputs which can generally be corroborated by market data and are therefore classified within level 2. Futures are exchange traded and are therefore classified as level 1.

The Company considers the transfers between different levels to occur when there is a change in significant observable and unobservable inputs for a particular investment. There were no transfers between different level of investments during the year ended 30 September 2021 (30 September 2020: Nil).

The Company's assets and liabilities (by class) not measured at fair value but for which fair value is disclosed are level 1. These assets and liabilities are carried at amortised cost, their carrying values are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments

Veritas Global Focus Fund

30 September 2021

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		Net amount
				Financial instrument*	Cash collateral received*	
	USD	USD	USD	USD	USD	USD
<i>Forwards</i>						
HSBC	76,295	-	76,295	(76,295)	-	-
	76,295	-	76,295	(76,295)	-	-

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		Net amount
				Financial instrument*	Cash collateral pledged*	
	USD	USD	USD	USD	USD	USD
<i>Forwards</i>						
HSBC	374,366	-	374,366	(76,295)	-	298,071
	374,366	-	374,366	(76,295)	-	298,071

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Equity Income Fund

30 September 2021

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral received*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
HSBC	36,988	-	36,988	(638)	-	36,350
	36,988	-	36,988	(638)	-	36,350

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral pledged*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
HSBC	638	-	638	(638)	-	-
	638	-	638	(638)	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas China Fund

30 September 2021

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		Net amount
				Financial instrument*	Cash collateral received*	
	USD	USD	USD	USD	USD	USD
<i>Forwards</i>						
Brown Brothers						
Harriman & Co	22	-	22	-	-	22
	<u>22</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Real Return Fund

30 September 2021

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral received*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
Brown Brothers						
Harriman & Co	24,271	-	24,271	(24,271)	-	-
HSBC	1,063,284	-	1,063,284	(21,977)	-	1,041,307
	1,087,555	-	1,087,555	(46,248)	-	1,041,307

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral pledged*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
Brown Brothers						
Harriman & Co	49,686	-	49,686	(24,271)	-	25,415
HSBC	21,977	-	21,977	(21,977)	-	-
	71,663	-	71,663	(46,248)	-	25,415

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Focus Fund

30 September 2020

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		Net amount
				Financial instrument*	Cash collateral received*	
				USD	USD	
<i>Forwards</i>						
HSBC	48,827	-	48,827	(48,827)	-	-
	48,827	-	48,827	(48,827)	-	

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral pledged*	Net amount
USD	USD	USD	USD	USD	USD	
Forwards						
HSBC	981,376	-	981,376	(48,827)	-	932,549
	981,376	-	981,376	(48,827)	-	932,549

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Equity Income Fund

30 September 2020

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral received*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
HSBC	63,749	-	63,749	(2,474)	-	61,275
	63,749	-	63,749	(2,474)	-	61,275

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral pledged*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
HSBC	2,474	-	2,474	(2,474)	-	-
	2,474	-	2,474	(2,474)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Real Return Fund

30 September 2020

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial assets	Gross amounts not offset in the statement of financial position					
	Gross amount of recognised financial assets	Gross amounts of financial liabilities offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Financial instrument*	Cash collateral received*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
Brown Brothers						
Harriman & Co	35,611	-	35,611	(25,923)	-	9,688
HSBC	3,464,501	-	3,464,501	(117,151)	-	3,347,350
	3,500,112	-	3,500,112	(143,074)	-	3,357,038

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

7. Financial assets and liabilities at fair value through profit or loss (continued)

Offsetting Financial Instruments (continued)

Veritas Global Real Return Fund (continued)

30 September 2020 (continued)

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of financial liabilities	Gross amount of recognised financial liabilities	Gross amounts of financial assets offset in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Gross amounts not offset in the statement of financial position		
				Financial instrument*	Cash collateral pledged*	Net amount
	GBP	GBP	GBP	GBP	GBP	GBP
<i>Forwards</i>						
Brown Brothers						
Harriman & Co	25,923	-	25,923	(25,923)	-	-
HSBC	117,151	-	117,151	(117,151)	-	-
	143,074	-	143,074	(143,074)	-	-

*Cash collateral and other financial instruments amounts disclosed in the above tables have been limited to the net amount of financial assets or liabilities presented in the Statement of Financial Position to eliminate the effect of over collateralisation. The net amount represents the net amount due to the counterparty in the event of a default based on contractual set-off rights under the applicable ISDA/Master-Netting agreement. The actual value of collateral may be more or less than the amount presented.

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)**

8. Cash and cash equivalents, margin cash held with brokers and bank overdraft

As at 30 September 2021

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Cash and cash equivalents					
ANZ	868,561	-	-	3,036,534	-
Barclays	-	-	-	-	-
Brown Brothers Harriman	25,360,347	-	-	6,042	-
Citibank	-	-	3,577,935	-	5,960,772
HSBC Bank Plc	-	830,131	-	-	40,356
JPMorgan	257,039,076	-	-	-	-
National Australia Bank	-	-	-	3,178,939	-
Sumitomo	-	49,739,953	786,794	3,178,939	442,630
	<u>283,267,984</u>	<u>50,570,084</u>	<u>4,364,729</u>	<u>9,400,454</u>	<u>6,443,758</u>

Cash Margins

UBS	-	-	-	265	7,970,440
	<u>-</u>	<u>-</u>	<u>-</u>	<u>265</u>	<u>7,970,440</u>

Bank overdraft

Brown Brothers Harriman	-	(337)	(501)	-	(17)
	<u>-</u>	<u>(337)</u>	<u>(501)</u>	<u>-</u>	<u>(17)</u>

	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total* USD
Cash and cash equivalents			
ANZ	-	-	3,905,095
Barclays	-	39,621	39,621
Brown Brothers Harriman	-	-	24,986,488
Citibank	-	-	12,814,299
HSBC Bank Plc	-	-	884,345
JPMorgan	2,511,020	-	259,550,096
National Australia Bank	-	-	3,178,939
Sumitomo	17,964	-	54,588,464
	<u>2,528,984</u>	<u>39,621</u>	<u>359,947,347</u>

Cash Margins

UBS	-	-	10,707,754
	<u>-</u>	<u>-</u>	<u>10,707,754</u>

Bank overdraft

Brown Brothers Harriman	-	-	(1,033)
	<u>-</u>	<u>-</u>	<u>(1,033)</u>

*The figures have been adjusted to account for balances held in the name of the Company on cash collection accounts.

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

8. Cash and cash equivalents, margin cash held with brokers and bank overdraft (continued)

As at 30 September 2020

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD	Veritas Global Real Return Fund GBP
Cash and cash equivalents					
ANZ	-	-	-	1,527,848	-
Barclays	-	54,794,040	-	-	-
Brown Brothers Harriman	1,525	-	42	10,336	-
HSBC Bank Plc	638,927	-	-	-	-
JPMorgan	-	-	-	1,872,813	461,111
Sumitomo	135,992,913	616,941	9,059,106	3,745,626	-
UBS	7,914	-	-	639,616	-
	<u>136,641,279</u>	<u>55,410,981</u>	<u>9,059,148</u>	<u>7,796,239</u>	<u>461,111</u>
Cash Margins					
UBS	-	-	-	266	13,282,481
	<u>-</u>	<u>-</u>	<u>-</u>	<u>266</u>	<u>13,282,481</u>
Bank overdraft					
Brown Brothers Harriman	-	(78)	-	-	(309,112)
	<u>-</u>	<u>(78)</u>	<u>-</u>	<u>-</u>	<u>(309,112)</u>

	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total* USD
Cash and cash equivalents			
ANZ	-	-	1,527,848
Barclays	-	-	54,794,040
Brown Brothers Harriman	36,250	6,088	99,429
HSBC Bank Plc	-	-	638,927
JPMorgan	3,154,471	70,219	5,688,970
Sumitomo	-	-	151,975,595
UBS	-	640,845	1,288,375
	<u>3,190,721</u>	<u>717,152</u>	<u>216,013,184</u>
Cash Margins			
UBS	-	-	17,037,704
	<u>-</u>	<u>-</u>	<u>17,037,704</u>
Bank overdraft			
Brown Brothers Harriman	-	-	(396,576)
	<u>-</u>	<u>-</u>	<u>(396,576)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks

The Company's investing activities expose it to various types of risk which are associated with the financial instruments and markets in which it invests. The most significant types of financial risk to which the Company is exposed are market risk, credit risk, liquidity risk. Market risk includes other price risk, currency risk and interest rate risk.

The Company maintains positions in a variety of derivative and non-derivative financial instruments as dictated by its investment management strategy. Asset allocation is determined by the Company's Investment Manager who manages the distribution of the assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Company's Investment Manager.

The nature and extent of the financial instruments outstanding at the date of the Statement of Financial Position and the risk management policies employed by the Company are discussed below:

a. Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will make an instrument less valuable or more onerous. All financial instruments are recognised at fair value, and all changes in market conditions directly affect net income.

The Company uses the absolute value at risk ("VaR") model to calculate the global exposure. The global exposure, using the absolute VaR approach, is calculated as described in the next paragraph.

The Company's market risk is managed on a daily basis by the Investment Manager within a rigorous risk management framework through diversification of the investment portfolio across countries and industries. In addition the Investment Manager uses a risk analysis system, Excerpt, to calculate ex-ante risk. The system has been developed by EM Applications, and is a well tested robust and accurate predictive model. On a monthly basis, the Investment Manager's Head of Performance & Risk produces reports across the entire fund range of the Company, containing decomposition of risk across asset class, currencies, sectors, countries and individual positions. The risk is separated into systematic and specific risk, allowing for accurate analysis of the composition of the relevant fund. The report also contains stress tests based on historic events which moved markets significantly, and potential events which the Investment Manager judges could affect the funds. Value at Risk is calculated using 25,000 Monte Carlo simulations, and is reported at 99% confidence levels. The holding period and the historical observation period are defined as 20 days and 5 years, respectively. This is reported in conjunction with Conditional Value-at-Risk (VaR) in order to examine potential extreme events and the impact on the funds. VaR is calculated daily in accordance with UCITS rules. Minuted meetings are then held with the portfolio managers to discuss the reports. Back testing of the model used is conducted and the results are reported to the Board of Directors on a quarterly basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

a) Market risk (continued)

The Company, may employ techniques and instruments including but not limited to futures, options, FX forwards, Contracts for Difference (CFDs) and equity swaps (all as described in detail below) relating to transferable securities and/or other financial instruments in which it invests for Efficient Portfolio Management purposes and for investment purposes.

The below table provides an analysis of the VaR measures and leverage levels for the Sub-Funds of the Company for the year ended 30 September 2021 and 30 September 2020.

Veritas Asian Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(11.46%)	(10.43%)
Lowest VaR limit utilized during the year	(10.57%)	(7.27%)
Highest VaR limit utilized during the year	(13.29%)	(11.83%)
Average VaR limit utilized during the year	(11.83%)	(9.21%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	0.23%	-
Average leverage level employed during the year	0.02%	-
Veritas Global Focus Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(10.66%)	(10.69%)
Lowest VaR limit utilized during the year	(10.59%)	(6.01%)
Highest VaR limit utilized during the year	(11.74%)	(10.78%)
Average VaR limit utilized during the year	(11.04%)	(8.18%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	-	0.10%
Average leverage level employed during the year	-	0.01%
Veritas Global Equity Income Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(8.60%)	(7.94%)
Lowest VaR limit utilized during the year	(7.86%)	(5.90%)
Highest VaR limit utilized during the year	(8.87%)	(8.50%)
Average VaR limit utilized during the year	(8.47%)	(7.14%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	-	-
Average leverage level employed during the year	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

a) Market risk (continued)

Veritas China Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(13.00%)	(8.92%)
Lowest VaR limit utilized during the year	(7.43%)	(5.02%)
Highest VaR limit utilized during the year	(15.89%)	(12.21%)
Average VaR limit utilized during the year	(12.62%)	(9.19%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	-	1.05%
Average leverage level employed during the year	-	0.09%

Veritas Global Real Return Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(11.41%)	(10.03%)
Lowest VaR limit utilized during the year	(9.74%)	(5.82%)
Highest VaR limit utilized during the year	(11.87%)	(10.17%)
Average VaR limit utilized during the year	(10.72%)	(7.75%)
Lowest leverage level employed during the year	33.04%	6.81%
Highest leverage level employed during the year	54.48%	37.51%
Average leverage level employed during the year	44.73%	25.16%

Veritas Izoard Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(11.59%)	(10.17%)
Lowest VaR limit utilized during the year	(10.53%)	(5.50%)
Highest VaR limit utilized during the year	(11.92%)	(10.90%)
Average VaR limit utilized during the year	(11.37%)	(7.88%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	-	-
Average leverage level employed during the year	-	-

Veritas Third Eye Global Emerging Markets Fund	30 Sep 2021	30 Sep 2020
VaR as at the year end	(11.22%)	(8.44%)
Lowest VaR limit utilized during the year	(8.55%)	(1.73%)
Highest VaR limit utilized during the year	(11.81%)	(8.64%)
Average VaR limit utilized during the year	(9.93%)	(4.97%)
Lowest leverage level employed during the year	-	-
Highest leverage level employed during the year	-	-
Average leverage level employed during the year	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

a) Market risk (continued)

To achieve the Company's investment aims the Investment Manager employs a global thematic and unconstrained investment approach with the ability to hold a level of cash if insufficient compelling equity opportunities are identified. The Investment Manager seeks investment opportunities regardless of where the company is domiciled (i.e. globally). As a result the theoretical investment universe is all global companies. However, as the investment criteria utilised for selecting equities involves quality measures, liquidity/size constraints as well as valuation measures, investments in most developing countries will not be considered. As examples, in Latin America only a selected few Mexican and Brazilian companies would qualify under our investment criteria. In Asia a number of investment opportunities are available in countries including Hong Kong, South Korea, Malaysia and Singapore. The Investment Manager does not attempt to manipulate the portfolio to deliver a certain country and sector weighting and allocations are therefore solely a function of bottom up analysis. However the Investment Manager does ensure a satisfactory level of diversification by way of both sector and geography although this is not based on index weightings.

Details of the Company's investment portfolio and derivatives at the Statement of Financial Position date are disclosed in the schedule of investments.

The Company uses the commitment approach for Veritas Global Focus Fund, Veritas Asian Fund, Veritas Global Equity Income Fund, Veritas China Fund, Veritas Izoard Fund and Veritas Third Eye Global Emerging Markets Fund and VaR approach for Veritas Global Real Return Fund to calculate the global exposure to ensure that the use of financial derivative instruments is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage should arise.

Other price risk

Other price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Investment Manager attempts to mitigate this risk through the construction of a well-diversified portfolio.

In accordance with the Company's policies and procedures in place, the Investment Manager monitors the Company's overall other price risk on a daily basis, and the Board of Directors reviews it on a quarterly basis. There were no changes in the other price risk management policies and procedures from the prior year ended 30 September 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

a) Market risk (continued)

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the Sub-Funds' respective functional currency.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. Monetary assets and liabilities include cash and cash equivalents, marketable debt securities, trade receivables and payables including due to/from brokers, and monies due to/from brokers.

All assets and liabilities that do not meet the definition of monetary items are classified as non-monetary. Marketable equity investments are considered non-monetary assets. The currency risk associated with equities is included in other price risk. Once paid in or accumulated, all elements of net assets attributable to holders of redeemable participating shares are non-monetary.

The Sub-Funds are authorised for purposes of efficient portfolio management to enter into forward foreign exchange contracts for the purpose of managing the foreign currency exposure arising from the Sub-Funds' investment or anticipated investment in securities denominated in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's financial assets and liabilities in Veritas Asian Fund, Veritas Global Focus Fund, Veritas Global Equity Income Fund, Veritas Global Real Return Fund, Veritas Izoard Fund and Veritas Third Eye Global Emerging Markets Fund are non-interest bearing and as a result, these Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any cash and cash equivalents, time deposits and bank overdrafts held by these Sub-Funds are held at short term market rates and therefore are not exposed to significant amounts of interest rate risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

a) Market risk (continued)

In accordance with the Company's policies and procedures in place, the Investment Manager monitors the Company's overall interest rate risk on a daily basis, and the Board of Directors reviews it on a quarterly basis. The following tables set out the interest profile of Sub-Funds which hold interest bearing financial assets as at 30 September 2021 and 30 September 2020. An estimate is also given of the effects of a hypothetical 100 basis points increase and decrease in interest rates on assets that are subject to interest rate risk.

Veritas China Fund as of 30 September 2021

	Total USD	Floating rate financial assets USD	Fixed rate financial assets USD	Financial assets on which no interest is paid USD
Currency				
US Dollar	556,403	-	556,403	-
		Fixed rate financial assets weighted average interest rate		Fixed rate financial assets weighted average period for which rate is fixed
Currency				
US Dollar		1.25%		0.97 years

Veritas China Fund as of 30 September 2020

	Total USD	Floating rate financial assets USD	Fixed rate financial assets USD	Financial assets on which no interest is paid USD
Currency				
US Dollar	517,120	-	517,120	-
		Fixed rate financial assets weighted average interest rate		Fixed rate financial assets weighted average period for which rate is fixed
Currency				
US Dollar		1.25%		1.99 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house.

Credit risk associated with investing activities is managed by the Investment Manager as part of the overall investment process. To reduce the Company's counterparty credit exposures, securities trading is primarily conducted on recognised exchanges and on a delivery-versus-payment basis.

The risk of default is considered minimal, as delivery of securities sold is only made once the depositary has received payment. Payment is made on a purchase once the securities have been received by the depositary. The trade will fail if either party fails to meet its obligation. In addition, the Investment Manager seeks to enter into netting agreements with counterparties that would allow receivables and payables to that counterparty to be offset.

The exposure of debt securities as at 30 September 2021 based on credit rating is as follows:

Veritas China Fund		
Credit rating	Agency	Debt Securities Held Long USD
Non rated	N/A	556,403
Total		556,403

The exposure of debt securities as at 30 September 2020 based on credit rating is as follows:

Veritas China Fund		
Credit rating	Agency	Debt Securities Held Long USD
Non rated	N/A	517,120
Total		517,120

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

b) Credit risk (continued)

All financial instruments, other than derivatives, are cleared through and held in custody by Brown Brothers Harriman & Co. The Company is subject to credit risk to the extent that this institution may be unable to fulfil its obligations either to return the Company's securities or repay amounts owed. Management does not anticipate any losses as a result of this concentration. Substantially all of the cash of the Company as of 30 September 2021 and 30 September 2020 was held by:

30 September 2021	S&P	Fitch
ANZ	AA-	
Barclays	BBB	
Brown Brothers Harriman & Co.		A+
Citibank	A+	
HSBC Bank plc	A-	
JPMorgan	A-	
National Bank of Australia	AA-	
Sumitomo	A-	
UBS	A-	
30 September 2020	S&P	Fitch
ANZ	AA-	
Barclays	BBB	
Brown Brothers Harriman & Co.		A+
HSBC Bank plc	A+	
JPMorgan	A-	
Sumitomo	A	
UBS	A+	

These institutions are rated by prominent credit rating agencies. The Company's investments in participatory notes and derivative financial instruments including forward contracts and contract for differences are also subject to credit risk. The risk that counterparties to both derivative and other instruments might default on their obligations is monitored on an on-going basis. To manage the level of credit risk, the Company deals with counterparties of good credit standing.

The Company's credit risk exposure is represented by the carrying amounts of cash and cash equivalents, margin cash, due from brokers, debt investments and open gains on contracts for difference and forward currency contracts at the Statement of Financial Position date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's constitution provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Company's financial instruments include investments in derivative contracts traded over-the-counter, which are not traded in an organised public market and which generally may be illiquid.

As a result, the Company may not be able to liquidate quickly some of its investments in these instruments at an amount close to its fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the credit worthiness of any particular issuer.

The Company's listed securities are considered to be readily realisable as they are all listed on major global stock exchanges. In accordance with the Company's policies and procedures in place, the Investment Manager monitors the Company's overall liquidity risk on a daily basis, and the Board of Directors reviews it on a quarterly basis. Substantially all of the Company's liabilities included in the Statement of Financial Position at 30 September 2021 and 2020 on pages 68 to 71 are payable within one month.

The following tables shows the contractual, undiscounted cash flows of the Company's derivative financial assets and liabilities settled gross as at 30 September 2021 and 2020.

Veritas Asian Fund

The Veritas Asian Fund did not have any derivative financial assets and liabilities settled gross as at 30 September 2021 and 30 September 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

9. Financial instruments and associated risks (continued)

c) Liquidity risk (continued)

Veritas Global Focus Fund

30 September 2021	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(31,508,048)	-	-
<i>Inflows</i>	31,209,977	-	-
Total	(298,071)	-	-

30 September 2020	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(17,849,475)	-	-
<i>Inflows</i>	16,916,926	-	-
Total	(932,549)	-	-

Veritas Global Equity Income Fund

30 September 2021	Less than 1 month GBP	1 to 3 months GBP	3 months to 1 year GBP
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(1,445,953)	-	-
<i>Inflows</i>	1,482,303	-	-
Total	36,350	-	-

30 September 2020	Less than 1 month GBP	1 to 3 months GBP	3 months to 1 year GBP
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(1,704,769)	-	-
<i>Inflows</i>	1,766,044	-	-
Total	61,275	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)

9. Financial instruments and associated risks (continued)

c) Liquidity risk (continued)

Veritas China Fund

30 September 2021	Less than 1 month USD	1 to 3 months USD	3 months to 1 year USD
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(6,004)	-	-
<i>Inflows</i>	6,026	-	-
Total	22	-	-

The Veritas China Fund did not have any derivative financial assets and liabilities settled gross as at 30 September 2020.

Veritas Global Real Return Fund

30 September 2021	Less than 1 month GBP	1 to 3 months GBP	3 months to 1 year GBP
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(85,796,110)	-	-
<i>Inflows</i>	86,812,002	-	-
Total	1,015,892	-	-

30 September 2020	Less than 1 month GBP	1 to 3 months GBP	3 months to 1 year GBP
Derivative financial assets and liabilities settled gross			
- Forward contracts			
<i>Outflows</i>	(111,155,072)	-	-
<i>Inflows</i>	114,512,110	-	-
Total	3,357,038	-	-

Veritas Izoard Fund

The Veritas Izoard Fund did not have any derivative financial assets and liabilities settled gross as at 30 September 2021 and 30 September 2020.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

9. Financial instruments and associated risks (continued)

c) Liquidity risk (continued)

Veritas Third Eye Global Emerging Markets Fund

The Veritas Third Eye Global Emerging Markets Fund did not have any derivative financial assets and liabilities settled gross as at 30 September 2021 and 30 September 2020.

10. Exchange rates

The following exchange rates were used to translate assets and liabilities into the functional currency (United States Dollar) at 30 September 2021 and 30 September 2020 for the Veritas Asian Fund, Veritas Global Focus Fund, Veritas China Fund, Veritas Izoard Fund and the Veritas Third Eye Global Emerging Markets Fund.

	30 September 2021	30 September 2020
Australian Dollar	1.39121	1.40519
British Pound	0.74438	0.77961
Chinese Yuan	6.47100	6.81340
Danish Krona	6.42740	6.35910
Euro	0.86434	0.85393
Hong Kong Dollar	7.78890	7.75005
Indian Rupee	74.31450	73.73670
Japanese Yen	-	105.71500
Korean Won	1186.08000	1,169.25000
Mexican Peso	20.54755	22.32600
New Taiwanese Dollar	27.83000	28.97200
Norwegian Krone	8.81880	-
Swedish Krona	8.80075	9.00445
Swiss Franc	0.93660	0.92195
Thai Baht	-	31.65500

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

10. Exchange rates (continued)

The following exchange rates were used to translate assets and liabilities into the functional currency (GBP) at 30 September 2021 and 30 September 2020 for the Veritas Global Equity Income Fund and Veritas Global Real Return Fund.

	30 September 2021	30 September 2020
Australian Dollar	1.86895	1.80243
Euro	1.16116	1.09534
Hong Kong Dollar	10.46361	9.94099
Singapore Dollar	1.82911	1.75672
South African Rand	20.42835	21.60510
Swedish Krona	11.82293	11.55001
Swiss Franc	1.25823	1.18259
US Dollar	1.34340	1.28270

11. Related parties and connected persons

As at 30 September 2021, Mr Richard Grant was a Managing Partner of the Investment Manager and as such had an interest in the relationship between the Company and the Investment Manager. He ceased acting as a Managing Partner of the Investment Manager from 1 November 2021. Mr Richard Grant was also director of Veritas Asset Management (Asia) Ltd, a sub-advisor to the Investment Manager on Veritas Asian Fund and Veritas China Fund (until 1 November 2021). Mr Richard Grant held 528 shares (30 September 2020: Nil) in Veritas Asian Fund, 12,517 shares (30 September 2020: 17,946) in Veritas Global Equity Income Fund, 5,567 shares (30 September 2020: 5,567) in Veritas China Fund, 204,421 shares (30 September 2020: 204,421) in Veritas Global Real Return Fund, 10,404 shares (30 September 2020: 10,323) in Veritas Izoard Fund and 2,500 shares (30 September 2020: 2,500) in Veritas Third Eye Global Emerging Markets Fund. Mrs Catherine Grant, wife of Director Mr Richard Grant held 5,301 shares (30 September 2020: 5,299) in Veritas Global Focus Fund.

Ms Nicola Lakin is the Chief Operating Officer and a Managing Partner of the Investment Manager (since 1 November 2021) and as such has an interest in the relationship between the Company and the Investment Manager. Ms Nicola Lakin is also director of Veritas Asset Management (Asia) Ltd (since 16 June 2021). Ms Nicola Lakin held 87 shares in Veritas Asian Fund, 1,569 shares in Veritas Global Focus Fund, 142 shares in Veritas China Fund and 800 shares in Veritas Global Real Return Fund. Mr Russell Lakin, husband of Ms Nicola Lakin held 36 shares in Veritas Asian Fund.

The Company uses the services of KB Associates for the provision of a Money Laundering Reporting Officer (the “MLRO”). The MLRO fee for the financial year amounted to USD 21,489 (30 September 2020: USD 20,032) and the amount outstanding as at 30 September 2020 was USD Nil (30 September 2020: Nil). Mr Mike Kirby who is a Director of the Company, is the Managing Principal of KB Associates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

11. Related parties and connected persons (continued)

Veritas Asset Management LLP, the Investment Manager, is a related party under the IAS 24 “Related Party Disclosures”. Please refer note 3 for the fees payable to these parties and the amounts due at the year end.

12. Share capital

The authorised share capital of the Company is €38,100 divided into 38,100 Management Shares of €1 each and 500,000,000,000 Shares of no par value initially designated as unclassified shares. The issued share capital of the Company is €38,100 divided into Management Shares of €1 each of which one quarter has been paid up and which are beneficially owned as to 38,093 Management Shares by Veritas Asset Management LLP and as to one Management Share each by seven nominees of Veritas Asset Management LLP.

The unclassified shares are available for issue as Shares.

Management Shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

The movement in the number of participating redeemable shares during the years ended 30 September 2021 and 30 September 2020 is as follows:

Veritas Asian Fund

	2020	2020	2020
	EUR A Class	GBP A Class	USD A Class
At 1 October 2019	55,193	339,355	298,183
Issued	66,046	156,208	209,604
Redeemed	(47,139)	(154,429)	(175,497)
At 30 September 2020	<u>74,100</u>	<u>341,134</u>	<u>332,290</u>
	2021	2021	2021
	EUR A Class	GBP A Class	USD A Class
At 1 October 2020	74,100	341,134	332,290
Issued	84,868	223,658	341,371
Redeemed	(59,313)	(122,869)	(270,070)
At 30 September 2021	<u>99,655</u>	<u>441,923</u>	<u>403,591</u>

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Asian Fund (continued)

	2020	2020	2020
	EUR B Class	GBP B Class	USD B Class
At 1 October 2019	770	17,976	164,358
Issued	1	19,616	117,605
Redeemed	(1)	(18,701)	(51,281)
At 30 September 2020	<u>770</u>	<u>18,891</u>	<u>230,682</u>

	2021	2021	2021
	EUR B Class	GBP B Class	USD B Class
At 1 October 2020	770	18,891	230,682
Issued	27,732	6,970	543,073
Redeemed	(2,231)	(12,001)	(151,633)
At 30 September 2021	<u>26,271</u>	<u>13,860</u>	<u>622,122</u>

	2020	2020	2020
	GBP C Class	USD C Class	GBP D Class
At 1 October 2019	248,082	2,335,190	536,246
Issued	115,854	3,506,997	241,591
Redeemed	(35,007)	(1,299,863)	(65,750)
At 30 September 2020	<u>328,929</u>	<u>4,542,324</u>	<u>712,087</u>

	2021	2021	2021
	GBP C Class	USD C Class	GBP D Class
At 1 October 2020	328,929	4,542,324	712,087
Issued	199,798	2,466,576	232,786
Redeemed	(53,856)	(2,197,150)	(107,140)
At 30 September 2021	<u>474,871</u>	<u>4,811,750</u>	<u>837,733</u>

	2020	2020	2020
	USD D Class	EUR C Class	EUR D Class
At 1 October 2019	197,955	713	8,687
Issued	663,015	43,538	949
Redeemed	(92,246)	(8,414)	(1,654)
At 30 September 2020	<u>768,724</u>	<u>35,837</u>	<u>7,982</u>

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Asian Fund (continued)

	2021 USD D Class	2021 EUR C Class	2021 EUR D Class
At 1 October 2020	768,724	35,837	7,982
Issued	167,060	181,495	61,716
Redeemed	(80,863)	(74,849)	(3,626)
At 30 September 2021	854,921	142,483	66,072

	2021 EUR A Accumulation Class*	2021 GBP A Accumulation Class**	2021 USD A Accumulation Class***
At 1 October 2020	-	-	-
Issued	43,566	17,531	40,546
Redeemed	(158)	(3,137)	(18)
At 30 September 2021	43,408	14,394	40,528

	2021 USD B Accumulation Class****
At 1 October 2020	-
Issued	102,129
Redeemed	(1,843)
At 30 September 2021	100,286

* Launched: 11 March 2021

** Launched: 2 November 2020

*** Launched: 1 February 2021

**** Launched: 2 March 2021

Veritas Global Focus Fund

	2020 GBP A Class	2020 USD A Class	2020 EUR A Class
At 1 October 2019	5,096,724	4,731,102	4,062,776
Issued	439,710	804,920	75,013
Redeemed	(904,939)	(1,441,843)	(28,210)
At 30 September 2020	4,631,495	4,094,179	4,109,579

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Focus Fund (continued)

	2021	2021	2021
	GBP A Class	USD A Class	EUR A Class
At 1 October 2020	4,631,495	4,094,179	4,109,579
Issued	879,239	1,150,919	24,233
Redeemed	(1,060,726)	(1,592,796)	(57,904)
At 30 September 2021	<u>4,450,008</u>	<u>3,652,302</u>	<u>4,075,908</u>

	2020	2020	2020
	GBP B Class	USD B Class	EUR B Class
At 1 October 2019	142,694	313,207	7,039
Issued	17,043	1,469	-
Redeemed	(20,490)	(2,840)	(521)
At 30 September 2020	<u>139,247</u>	<u>311,836</u>	<u>6,518</u>

	2021	2021	2021
	GBP B Class	USD B Class	EUR B Class
At 1 October 2020	139,247	311,836	6,518
Issued	12,032	16,204	8
Redeemed	(22,319)	(82,970)	(2,740)
At 30 September 2021	<u>128,960</u>	<u>245,070</u>	<u>3,786</u>

	2020	2020	2020
	GBP C Class	USD C Class	EUR C Class
At 1 October 2019	24,874,395	12,978,826	3,615,816
Issued	1,481,119	7,222,924	271,253
Redeemed	(2,643,674)	(6,585,370)	(1,388,520)
At 30 September 2020	<u>23,711,840</u>	<u>13,616,380</u>	<u>2,498,549</u>

	2021	2021	2021
	GBP C Class	USD C Class	EUR C Class
At 1 October 2020	23,711,840	13,616,380	2,498,549
Issued	1,617,187	5,276,928	315,890
Redeemed	(6,681,323)	(4,863,912)	(230,580)
At 30 September 2021	<u>18,647,704</u>	<u>14,029,396</u>	<u>2,583,859</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Focus Fund (continued)

	2020	2020	2020
	GBP D Class	USD D Class	EUR D Class
At 1 October 2019	6,046,869	1,447,180	24,565
Issued	771,926	301,385	78,491
Redeemed	(2,650,004)	(71,710)	(15,302)
At 30 September 2020	<u>4,168,791</u>	<u>1,676,855</u>	<u>87,754</u>

	2021	2021	2021
	GBP D Class	USD D Class	EUR D Class
At 1 October 2020	4,168,791	1,676,855	87,754
Issued	1,110,642	154,483	16,275
Redeemed	(1,670,059)	(151,374)	(65,425)
At 30 September 2021	<u>3,609,374</u>	<u>1,679,964</u>	<u>38,604</u>

	2020
	NOK E Class
At 1 October 2019	121,011
Issued	443,264
Redeemed	(187,229)
At 30 September 2020	<u>377,046</u>

	2021
	NOK E Class
At 1 October 2020	377,046
Issued	494,326
Redeemed	(288,443)
At 30 September 2021	<u>582,929</u>

Veritas Global Equity Income Fund

	2020	2020	2020
	GBP A Class	USD A Class	EUR A Class
At 1 October 2019	390,513	45,143	29,651
Issued	21,947	39,571	5,405
Redeemed	(65,199)	(47,201)	(12,123)
At 30 September 2020	<u>347,261</u>	<u>37,513</u>	<u>22,933</u>

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Equity Income Fund (continued)

	2021	2021	2021
	GBP A Class	USD A Class	EUR A Class
At 1 October 2020	347,261	37,513	22,933
Issued	23,541	554	1,482
Redeemed	(133,800)	(3,576)	(2,970)
At 30 September 2021	237,002	34,491	21,445

	2020	2020	2020
	GBP B Class	USD B Class	EUR B Class
At 1 October 2019	48,239	150,050	4,790
Issued	2,261	927	111
Redeemed	(9,416)	(27,940)	(394)
At 30 September 2020	41,084	123,037	4,507

	2021	2021	2021
	GBP B Class	USD B Class	EUR B Class
At 1 October 2020	41,084	123,037	4,507
Issued	917	682	-
Redeemed	(8,685)	(16,292)	(617)
At 30 September 2021	33,316	107,427	3,890

	2020	2020	2020
	GBP C Class	USD C Class	EUR C Class
At 1 October 2019	88,263	313,840	441
Issued	5,034	-	458
Redeemed	(19,570)	(313,839)	(90)
At 30 September 2020	73,727	1	809

	2021	2021	2021
	GBP C Class	USD C Class	EUR C Class
At 1 October 2020	73,727	1	809
Issued	13,191	-	253
Redeemed	(20,434)	-	(224)
At 30 September 2021	66,484	1	838

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Equity Income Fund (continued)

	2020	2020	2020
	GBP D Class	USD D Class	EUR D Class
At 1 October 2019	1,493,035	67,726	11,210
Issued	75,066	4,129	994
Redeemed	(521,407)	(30,111)	(5,586)
At 30 September 2020	<u>1,046,694</u>	<u>41,744</u>	<u>6,618</u>

	2021	2021	2021
	GBP D Class	USD D Class	EUR D Class
At 1 October 2020	1,046,694	41,744	6,618
Issued	47,557	1,086	275
Redeemed	(393,578)	(30,721)	(2,783)
At 30 September 2021	<u>700,673</u>	<u>12,109</u>	<u>4,110</u>

	2020
	USD E Class
At 1 October 2019	13,187
Issued	418
Redeemed	-
At 30 September 2020	<u>13,605</u>

	2021
	USD E Class
At 1 October 2020	13,605
Issued	417
Redeemed	(1,930)
At 30 September 2021	<u>12,092</u>

Veritas China Fund

	2020	2020	2020
	GBP A Class	USD A Class	EUR A Class
At 1 October 2019	29,367	111,693	148
Issued	4,300	1,552	585
Redeemed	(2,763)	(3,179)	(77)
At 30 September 2020	<u>30,904</u>	<u>110,066</u>	<u>656</u>

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas China Fund (continued)

	2021	2021	2021
	GBP A Class	USD A Class	EUR A Class
At 1 October 2020	30,904	110,066	656
Issued	40,610	58,257	511
Redeemed	(13,006)	(2,954)	(586)
At 30 September 2021	<u>58,508</u>	<u>165,369</u>	<u>581</u>

	2020	2020
	GBP B Class	EUR B Class
At 1 October 2019	4,522	614
Issued	9,547	-
Redeemed	(1,889)	(213)
At 30 September 2020	<u>12,180</u>	<u>401</u>

	2021	2021
	GBP B Class	EUR B Class
At 1 October 2020	12,180	401
Issued	6,443	-
Redeemed	(2,188)	-
At 30 September 2021	<u>16,435</u>	<u>401</u>

Veritas Global Real Return Fund

	2020	2020	2020
	GBP A Class	USD A Class	EUR A Class
At 1 October 2019	3,890,680	585,960	436,861
Issued	1,237,232	255,371	1,603,265
Redeemed	(1,079,046)	(177,610)	(768,133)
At 30 September 2020	<u>4,048,866</u>	<u>663,721</u>	<u>1,271,993</u>

	2021	2021	2021
	GBP A Class	USD A Class	EUR A Class
At 1 October 2020	4,048,866	663,721	1,271,993
Issued	1,678,452	57,947	2,017,417
Redeemed	(1,233,799)	(134,522)	(2,112,049)
At 30 September 2021	<u>4,493,519</u>	<u>587,146</u>	<u>1,177,361</u>

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Real Return Fund (continued)

	2020	2020	2020
	GBP B Class	USD B Class	EUR B Class
At 1 October 2019	312,586	214,320	56,508
Issued	448,274	34,452	44,843
Redeemed	(419,373)	(147,067)	(49,758)
At 30 September 2020	<u>341,487</u>	<u>101,705</u>	<u>51,593</u>

	2021	2021	2021
	GBP B Class	USD B Class	EUR B Class
At 1 October 2020	341,487	101,705	51,593
Issued	25,569	9,280	157,680
Redeemed	(138,014)	(20,314)	(31,100)
At 30 September 2021	<u>229,042</u>	<u>90,671</u>	<u>178,173</u>

	2020	2020	2020
	GBP D Class	EUR D Class	USD D Class
At 1 October 2019	8,197,748	864,044	1,159,797
Issued	807,319	168,257	892,363
Redeemed	(3,131,227)	(272,594)	(462,976)
At 30 September 2020	<u>5,873,840</u>	<u>759,707</u>	<u>1,589,184</u>

	2021	2021	2021
	GBP D Class	EUR D Class	USD D Class
At 1 October 2020	5,873,840	759,707	1,589,184
Issued	929,465	199,708	255,626
Redeemed	(1,462,284)	(384,301)	(991,628)
At 30 September 2021	<u>5,341,021</u>	<u>575,114</u>	<u>853,182</u>

	2020	2020
	EUR E Class	USD E Class*
At 1 October 2019	181,922	-
Issued	44,247	62,984
Redeemed	-	-
At 30 September 2020	<u>226,169</u>	<u>62,984</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

12. Share capital (continued)

Veritas Global Real Return Fund (continued)

	2021	2021
	EUR E Class**	USD E Class
At 1 October 2020	226,169	62,984
Issued	-	7,923
Redeemed	(226,169)	-
At 30 September 2021	-	70,907

* Launched: 29 November 2019

** Liquidated: 8 July 2021

Veritas Izoard Fund

	2020	2020
	GBP C Class	USD C Class
At 1 October 2019	235,847	130,195
Issued	2,247	32,104
Redeemed	-	(14,430)
At 30 September 2020	238,094	147,869

	2020	2020
	GBP C Class	USD C Class
At 1 October 2020	238,094	147,869
Issued	1,274	20,458
Redeemed	(50,000)	(685)
At 30 September 2021	189,368	167,642

Veritas Third Eye Global Emerging Markets Fund

	2020	2020
	GBP A Class	USD A Class
At 1 October 2019	48,989	63,399
Issued	1,643	-
Redeemed	(770)	-
At 30 September 2020	49,862	63,399

	2021	2021
	GBP A Class	USD A Class
At 1 October 2020	49,862	63,399
Issued	1,794	-
Redeemed	(1,413)	-
At 30 September 2021	50,243	63,399

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

13. Net asset value

The Company has adopted IFRS 13 and changed its valuation input for financial assets and liabilities measured at fair value, based on a quoted price in an active market, to last traded prices. As all of the last traded prices for the Company's financial assets and liabilities fall within the bid-ask spread, there is no variance, other than those due to timing between the Net Assets per the financial statements and the published Net Asset Value.

Net assets attributable to holders of redeemable participating shares represent a liability in the Statement of Financial Position, carried at the redemption amount that would be payable at the Statement of Financial Position date if the shareholder exercised the right to redeem the share to the Company.

Reconciliation between dealing NAV as at 12pm on 30 September 2021 and Financial Statements NAV as at close of business 30 September 2021:

2021	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
Dealing NAV (30 September 2021) at Mid prices at 12 pm	8,155,203,833	3,686,644,270	252,728,900	63,578,790
Adjustment for as of dealing	36,442,181	(51,934)	(7,921)	4,621
Change in Net Asset value due to price change from 12 pm to close of business	22,853,583	(32,594,802)	(2,677,135)	94,324
NAV as per Valuations (30 September 2021) at last traded prices at close of business	8,214,499,597	3,653,997,534	250,043,844	63,677,735

2021	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD
Dealing NAV (30 September 2021) at Mid prices at 12 pm	269,756,208	78,389,724	16,275,923
Adjustment for as of dealing	7,609	(1)	(10,435)
Change in Net Asset value due to price change from 12 pm to close of business	(1,383,535)	(729,862)	(38,486)
NAV as per Valuations (30 September 2021) at last traded prices at close of business	268,380,282	77,659,861	16,227,002

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

13. Net asset value (continued)

Reconciliation between dealing NAV as at 12pm on 30 September 2020 and Financial Statements NAV as at close of business 30 September 2020:

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
2020				
Dealing NAV (30 September 2020)				
at Mid prices at 12 pm	5,370,766,714	3,348,338,973	305,731,980	37,456,273
Adjustment for as of dealing	(1,793,515)	(15,111)	(128,768)	32,561
Change in Net Asset value due to price change from 12 pm to close of business	8,295,626	30,751,579	(662,099)	75,824
NAV as per Valuations (30 September 2020) at last traded prices at close of business	5,377,268,825	3,379,075,441	304,941,113	37,564,658
	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	
2020				
Dealing NAV (30 September 2020)				
at Mid prices at 12 pm	291,022,220	70,555,431	13,485,703	
Adjustment for as of dealing	777,863	(2,166)	(11,345)	
Change in Net Asset value due to price change from 12 pm to close of business	326,792	350,287	79,876	
NAV as per Valuations (30 September 2020) at last traded prices at close of business	292,126,875	70,903,552	13,554,234	

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

14. Comparative net asset value

Veritas Asian Fund

Share Class	NAV Per Share 2021	Total NAV 2021	NAV Per Share 2020	Total NAV 2020	NAV Per Share 2019	Total NAV 2019
USD A Class Shares	783.82	316,342,479	622.27	206,773,366	462.19	137,815,802
GBP A Class Shares	1,083.55	478,844,609	900.93	307,336,373	697.83	236,810,940
EUR A Class Shares	772.02	76,935,964	605.52	44,869,148	482.24	26,615,980
USD B Class Shares	538.77	335,182,415	429.87	99,162,986	320.88	52,739,586
GBP B Class Shares	789.43	10,941,447	659.66	12,461,650	513.51	9,230,660
EUR B Class Shares	562.67	14,781,909	443.65	341,612	354.99	273,421
USD C Class Shares	802.41	3,860,983,218	635.44	2,886,371,857	470.79	1,099,385,551
GBP C Class Shares	1,112.41	528,249,016	922.61	303,473,613	712.84	176,843,239
EUR C Class Shares	784.36	111,758,363	613.65	21,991,471	487.80	347,791
USD D Class Shares	784.46	670,649,944	621.22	477,547,113	460.64	91,184,920
GBP D Class Shares	1,087.15	910,741,725	901.67	642,064,798	697.23	373,887,544
EUR D Class Shares	775.20	51,218,998	606.52	4,841,231	482.21	4,188,986
EUR A Accumulation Class*	772.02	33,511,636	-	-	-	-
GBP A Accumulation Class**	1,083.53	15,596,376	-	-	-	-
USD A Accumulation Class***	783.83	31,766,908	-	-	-	-
USD B Accumulation Class****	539.09	54,062,787	-	-	-	-

* Launched: 11 March 2021

** Launched: 2 November 2020

*** Launched: 1 February 2021

**** Launched: 2 March 2021

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

14. Comparative net asset value (continued)

Veritas Global Focus Fund

Share Class	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
	2021	2021	2020	2020	2019	2019
USD A Class Shares	47.78	174,524,304	38.86	159,120,214	35.53	168,097,604
GBP A Class Shares	60.40	268,782,926	51.45	238,297,967	49.05	250,005,500
EUR A Class Shares	25.11	102,339,131	20.18	82,914,650	19.78	80,350,591
USD B Class Shares	33.81	8,284,964	27.63	8,617,343	25.38	7,949,100
GBP B Class Shares	45.28	5,839,229	38.76	5,397,150	37.12	5,297,153
EUR B Class Shares	29.34	111,079	23.69	154,413	23.33	164,199
USD C Class Shares	53.25	747,116,104	43.21	588,305,112	39.38	511,159,241
GBP C Class Shares	67.12	1,251,711,397	57.04	1,352,441,396	54.22	1,348,671,817
EUR C Class Shares	46.46	120,033,424	37.24	93,036,731	36.40	131,602,179
USD D Class Shares	49.61	83,335,746	40.27	67,520,673	36.81	53,267,353
GBP D Class Shares	62.66	226,174,071	53.27	222,079,545	50.78	307,065,723
EUR D Class Shares	43.17	1,666,684	34.63	3,038,751	33.94	833,750
NOK E Class Shares	409.78	238,874,657	338.89	127,778,031	320.82	38,823,339

Veritas Global Equity Income Fund

Share Class	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
	2021	2021	2020	2020	2019	2019
USD A Class Shares	141.67	4,886,361	115.83	4,345,087	127.95	5,775,906
GBP A Class Shares	204.08	48,366,585	174.73	60,677,187	201.26	78,595,103
EUR A Class Shares	239.63	5,138,639	193.53	4,438,231	229.22	6,796,619
USD B Class Shares	136.36	14,648,252	112.05	13,786,184	124.40	18,666,886
GBP B Class Shares	182.27	6,072,415	156.85	6,444,041	181.58	8,759,306
EUR B Class Shares	213.46	830,373	173.27	780,942	206.29	988,197
USD C Class Shares	217.00	217	170.00	170	179.33	56,281,011
GBP C Class Shares	309.65	20,586,782	256.41	18,904,411	283.83	25,051,403
EUR C Class Shares	363.41	304,535	283.78	229,578	323.01	142,293
USD D Class Shares	149.40	1,809,065	121.84	5,086,214	134.25	9,092,129
GBP D Class Shares	216.11	151,424,044	184.57	193,183,986	212.04	316,583,722
EUR D Class Shares	250.11	1,028,220	201.53	1,333,706	238.07	2,668,871
USD E Class Shares	157.50	1,904,530	135.65	1,845,529	155.96	2,056,693

VERITAS FUNDS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

14. Comparative net asset value (continued)

Veritas China Fund

	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
Share Class	2021	2021	2020	2020	2019	2019
USD A Class Shares	240.22	39,724,600	223.87	24,640,497	151.86	16,961,277
GBP A Class Shares	238.31	13,943,099	232.61	7,188,533	164.54	4,832,114
EUR A Class Shares	223.60	129,913	205.69	134,934	149.63	22,063
GBP B Class Shares	225.04	3,698,567	220.76	2,688,803	156.94	709,724
EUR B Class Shares	222.05	89,043	205.47	82,394	150.03	92,087

Veritas Global Real Return Fund

	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
Share Class	2021	2021	2020	2020	2019	2019
USD A Class Shares	35.08	20,599,012	33.67	22,344,885	32.11	18,812,871
GBP A Class Shares	19.35	86,963,238	18.52	74,996,184	17.69	68,836,575
EUR A Class Shares	18.75	22,072,879	18.13	23,056,675	17.56	7,669,973
USD B Class Shares	33.09	3,000,245	31.91	3,245,328	30.59	6,555,819
GBP B Class Shares	18.50	4,237,064	17.79	6,076,483	17.08	5,339,580
EUR B Class Shares	19.53	3,480,112	18.98	979,133	18.48	1,044,035
USD D Class Shares	35.19	30,027,283	33.72	53,592,489	32.13	37,260,764
GBP D Class Shares	19.47	103,977,896	18.60	109,280,953	17.74	145,463,303
EUR D Class Shares	18.85	10,843,700	18.20	13,828,456	17.61	15,219,081
USD E Class Shares*	36.72	2,603,989	33.51	2,110,611	-	-
EUR E Class Shares**	-	-	18.54	4,193,070	18.18	3,307,468

* Launched: 29 November 2019

** Liquidated: 8 July 2021

Veritas Izoard Fund

	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
Share Class	2021	2021	2020	2020	2019	2019
USD C Class Shares	166.82	27,965,455	135.72	20,069,223	124.30	16,183,364
GBP C Class Shares	195.34	36,991,518	166.45	39,630,724	158.97	37,492,630

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FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

14. Comparative net asset value (continued)

Veritas Third Eye Global Emerging Markets Fund

	NAV Per Share	Total NAV	NAV Per Share	Total NAV	NAV Per Share	Total NAV
Share Class	2021	2021	2020	2020	2019	2019
USD A Class Shares	127.88	8,107,477	107.22	6,797,923	98.82	6,264,913
GBP A Class Shares	120.30	6,044,012	105.64	5,267,258	101.53	4,973,635

15. Significant matters arising during the year

On 1 November 2020, Mr Richard Grant, the Director of the Company, acquired 528 shares of GBP A Class of Veritas Asian Fund.

Mr Michael Morris and Ms Nicola Lakin were appointed directors of the Company effective from 1 January 2021 and 15 April 2021, respectively.

Ms Nicola Lakin was appointed director of Veritas Asset Management (Asia) Ltd effective from 16 June 2021.

Matheson was appointed Legal Adviser to the Company effective from 10 May 2021.

Matsack Trust Limited was appointed Company Secretary effective from 13 May 2021.

Addendum to the prospectus of Veritas Funds Plc was issued at 5 March 2021 to account for changes resulting from Sustainable Financial Disclosures Regulation.

Beginning in January 2020, global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance.

The United Kingdom ("UK") officially left the EU on 31 January 2020 but remained subject to EU regulations during an agreed transitional phase until 31 December 2020. Although a free trade agreement was ratified by both the EU and the UK in December 2020 and the transitional phase has ended, there remains a number of uncertainties in connection with the UK's relationship with the EU in regards to potential regulatory alignment or equivalence. Until the terms of regulations are clearer, it is not possible to determine the full impact that the UK's departure and/or any related matters may have on the Company and its investments. From 1 January 2021 a memorandum of understanding is in place between the UK's Financial Conduct Authority, the European Securities and Markets Authority and the EU which permits the continued delegation of investment management to Veritas Asset Management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021
(CONTINUED)**

15. Significant matters arising during the year (continued)

EUR A Accumulation Class, GBP A Accumulation Class, USD A Accumulation Class and USD B Accumulation Class of the Veritas Asian Fund were launched on 11 March 2021, 2 November 2020, 1 February 2021 and 2 March 2021, respectively.

USD E Class Shares of the Veritas Global Real Return Fund was liquidated on 8 July 2021.

BBH&Co. (“BBH”) has entered into an agreement with State Street Corporation (“State Street”) under which State Street will acquire BBH’s Investor Services business; which includes its custody, fund accounting and administration, transfer agency, depositary services, foreign exchange and securities lending services. The completion of the transaction is subject to customary closing conditions and regulatory approvals. During this period, there has been no change to the current control environment and no impact to the execution of control activities.

There were no other significant events during the year.

16. Soft commissions

The Company has not entered into any soft commission arrangements during the financial year ended 30 September 2021 and 30 September 2020.

17. Cross liability

Each Sub-Fund is segregated and there are no cross liabilities between the Sub-Funds.

18. Subsequent events

The new prospectus for the Company was issued at 1 October 2021.

KBA Consulting Management Limited was appointed the Manager of the Company effective from 1 October 2021.

Mr Richard Grant ceased acting as a Managing Partner of the Investment Manager and director of Veritas Asset Management (Asia) Ltd from 1 November 2021. He will continue as a director on the Board of the Company.

There were no other significant events subsequent to the year-end.

19. Approval of financial statements

The Financial Statements were approved by the Board of Directors on 14 December 2021.

VERITAS FUNDS PLC

VERITAS ASIAN FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (USD)
Afterpay Ltd.	1,018,431	80,525,952
Alibaba Group Holding Ltd.	2,137,039	65,890,937
Anta Sports Products Ltd.	5,000,000	74,035,645
China Tourism Group Duty Free Corp. Ltd.	2,428,772	96,444,353
Guangzhou Kingmed Diagnostics Group Co. Ltd.	6,812,112	144,477,984
Hangzhou First Applied Material Co. Ltd.	3,999,982	78,317,281
HDFC Bank Ltd.	13,052,100	253,015,835
Hindustan Unilever Ltd.	2,600,000	76,331,045
JD.com, Inc.	3,000,000	133,462,144
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	2,499,982	81,588,309
KE Holdings, Inc.	2,500,000	145,000,000
Kotak Mahindra Bank Ltd.	5,500,000	122,586,934
Kuaishou Technology	4,100,000	141,298,613
Kweichow Moutai Co. Ltd.	439,691	133,456,429
LG Chem Ltd.	471,700	369,580,127
LONGi Green Energy Technology Co. Ltd.	15,499,664	227,579,162
Meituan Dianping	2,000,000	82,137,204
Midea Group Co. Ltd.	11,310,130	143,924,902
Reliance Industries Ltd.	3,000,000	85,909,051
Samsung Electronics Co. Ltd.	2,600,000	171,048,964
Samsung SDI Co. Ltd.	440,000	239,080,081
Sany Heavy Industry Co. Ltd.	34,407,192	214,722,212
Sea Ltd.	970,000	181,947,352
Shenzhen Inovance Technology Co. Ltd.	24,004,300	308,984,885
Sungrow Power Supply Co. Ltd.	21,439,507	228,142,717
Sungrow Power Supply Co. Ltd. (Warrant 21/04/2022)	4,638,968	92,675,619
Taiwan Semiconductor Manufacturing Co. Ltd.	13,173,100	253,780,790
Tata Consultancy Services Ltd.	4,133,071	177,120,970
Tencent Holdings Ltd.	1,800,000	140,336,882
Wuliangye Yibin Co. Ltd.	2,459,879	106,519,138
WuXi AppTec Co. Ltd.	2,799,848	58,829,415
Wuxi Lead Intelligent Equipment Co. Ltd.	20,499,706	210,591,896

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS ASIAN FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest sales	Units	Proceeds (USD)
Aier Eye Hospital Group Co. Ltd.	23,948,103	222,365,990
Alibaba Group Holding Ltd.	11,940,000	345,704,902
Alibaba Health Information Technology Ltd.	41,000,000	117,419,865
Anta Sports Products Ltd.	5,000,000	79,069,292
Aristocrat Leisure Ltd.	6,300,000	155,757,369
China Gas Holdings Ltd.	18,580,000	68,742,832
China Tourism Group Duty Free Corp. Ltd.	5,678,584	210,932,007
CP ALL PCL	31,000,000	60,821,886
CSL Ltd.	272,700	59,441,507
Goodman Group	4,095,000	56,595,075
HDFC Bank Ltd.	1,200,000	92,045,130
JD.com, Inc.	4,500,000	174,493,153
Jiangsu Hengrui Medicine Co. Ltd.	5,199,729	85,745,880
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	2,499,982	73,505,711
KE Holdings, Inc.	2,500,000	138,158,043
Kuaishou Technology	4,100,000	104,770,818
Li Ning Co. Ltd.	24,100,000	163,569,680
Meituan Dianping	8,000,000	293,727,104
Pinduoduo, Inc.	1,950,000	207,483,547
REA Group Ltd.	480,000	50,634,306
ResMed, Inc.	4,000,000	97,245,863
Samsung Electronics Co. Ltd.	1,880,000	134,054,506
Sany Heavy Industry Co. Ltd.	34,407,192	137,720,138
Sea Ltd.	421,000	103,226,326
Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	1,899,700	133,123,002
Sungrow Power Supply Co. Ltd.	7,000,000	143,384,782
Taiwan Semiconductor Manufacturing Co. Ltd.	4,000,000	81,777,003
Tencent Holdings Ltd.	4,008,300	306,312,800
Transurban Group	16,600,000	167,569,753
Wuliangye Yibin Co. Ltd.	6,462,184	216,847,810
WuXi AppTec Co. Ltd.	4,553,700	109,580,667
Wuxi Biologics Cayman, Inc.	5,000,000	74,271,205

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (USD)
Alibaba Group Holding Ltd.	76,800	18,393,769
Amazon.com, Inc.	43,900	154,519,180
Becton Dickinson & Co	203,500	47,321,279
Catalent, Inc.	173,800	18,160,934
Charter Communications, Inc.	12,700	7,846,784
CoStar Group, Inc.	234,900	87,853,273
CVS Health Corp.	557,100	43,934,267
Facebook, Inc.	31,600	11,638,760
Fiserv, Inc.	256,200	28,694,400
Illumina, Inc.	95,503	32,740,201
Microsoft Corp.	634,000	142,329,374
Moody's Corp.	417,200	118,026,833
Unilever PLC	1,244,600	67,364,283
Vinci S.A.	316,500	28,107,578

Largest sales	Units	Proceeds (USD)
Abbott Laboratories	823,863	102,576,699
Aena SME S.A.	137,700	22,736,703
Airbus SE	1,162,800	133,315,201
Alphabet, Inc.	66,600	158,355,326
BAE Systems PLC	3,932,500	29,751,863
Catalent, Inc.	182,900	23,371,500
Charter Communications, Inc.	172,303	123,206,250
Cochlear Ltd.	425,824	76,048,041
Cooper Cos, Inc.	87,700	37,407,670
CVS Health Corp.	486,000	36,713,205
Intercontinental Exchange, Inc.	408,700	47,162,711
Mastercard, Inc.	122,300	42,204,660
Microsoft Corp.	78,000	22,362,182
Moody's Corp.	169,300	63,892,808
Nestle S.A.	560,538	69,490,893
Philip Morris International, Inc.	1,284,383	109,584,184
Safran S.A.	690,600	99,299,220
Sonic Healthcare Ltd.	1,573,632	41,719,012
Svenska Handelsbanken AB	11,931,446	121,299,196
Unilever PLC	906,100	53,908,473
UnitedHealth Group, Inc.	50,500	19,270,367

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (GBP)
General Dynamics Corp.	80,100	9,165,077
Industria de Diseno Textil S.A.	366,100	8,322,403
Safran S.A.	13,900	1,349,298
Vinci S.A.	16,200	1,265,214
Vivendi SE	260,900	2,472,263

Largest sales	Units	Proceeds (GBP)
Aena SME S.A.	65,000	7,842,764
Airbus SE	100,700	8,849,129
Ascendas Real Estate Investment Trust	2,772,300	4,793,558
BAE Systems PLC	1,093,200	5,898,510
BP PLC	2,263,692	6,793,388
British American Tobacco PLC	157,900	4,293,489
Cisco Systems, Inc.	119,400	4,245,531
CVS Health Corp.	82,600	4,617,264
Diageo PLC	132,600	4,271,377
Ferguson PLC	40,200	3,528,346
MSC Industrial Direct Co., Inc.	51,600	3,321,283
Nestle S.A.	21,400	1,946,730
NetLink NBN Trust	12,345,200	6,664,565
Pfizer, Inc.	125,500	3,601,010
Philip Morris International, Inc.	125,100	8,008,206
Reckitt Benckiser Group PLC	31,000	2,199,161
Sanofi	20,000	1,340,221
Sonic Healthcare Ltd.	240,333	4,729,529
Svenska Handelsbanken AB	462,200	3,463,609
Unibail-Rodamco-Westfield	76,600	2,490,642
Unilever NV	32,000	1,529,632
Unilever PLC	31,100	1,364,164
United Overseas Bank Ltd.	212,900	2,842,079
Universal Music Group NV	116,000	2,487,140
Vivendi SE	292,200	6,906,379
Welltower, Inc.	146,700	8,178,963

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS CHINA FUND

**SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Largest purchases	Units	Cost (USD)
Alibaba Group Holding Ltd.	75,000	2,468,091
A Anta Sports Products Ltd.	100,000	1,912,323
Bilibili Inc.	20,000	2,390,088
By-health Co. Ltd.	300,000	1,208,524
China Gas Holdings Ltd.	506,000	1,854,434
China Tourism Group Duty Free Corp. Ltd.	79,994	3,337,069
Estun Automation Co. Ltd.	959,992	4,677,371
Guangzhou GRG Metrology & Test Co. Ltd.	429,978	2,723,920
Guangzhou Kingmed Diagnostics Group Co. Ltd.	261,956	4,631,994
Hangzhou First Applied Material Co. Ltd.	100,000	1,901,882
Innovent Biologics, Inc.	150,000	1,654,857
JD.com, Inc.	75,000	4,005,931
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	100,000	3,207,580
JS Global Lifestyle Co. Ltd.	650,000	1,764,213
JW Cayman Therapeutics Co. Ltd.	300,000	1,320,313
KE Holdings, Inc.	40,000	2,545,664
Kuaishou Technology	85,000	2,869,422
Kweichow Moutai Co. Ltd.	4,300	1,312,064
Li Ning Co. Ltd.	200,000	1,267,591
LONGi Green Energy Technology Co. Ltd.	199,918	2,289,286
Luzhou Laojiao Co. Ltd.	85,000	3,261,562
Meituan Dianping	80,000	2,918,124
Microport Scientific Corp.	400,000	1,674,691
Midea Group Co. Ltd.	179,998	2,222,483
Pinduoduo, Inc	8,000	1,061,356
Sany Heavy Industry Co. Ltd.	400,000	2,650,444
Shandong Sinocera Functional Material Co. Ltd.	300,000	1,873,419
Shenzhen Inovance Technology Co. Ltd.	250,000	3,830,594
Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	49,947	2,678,784
Skshu Paint Co. Ltd.	50,000	1,143,610
Sungrow Power Supply Co. Ltd.	319,999	3,269,440
Wuliangye Yibin Co. Ltd.	77,413	3,327,823
WuXi AppTec Co. Ltd.	120,000	2,279,704
Wuxi Biologics Cayman, Inc.	150,000	1,880,163
Wuxi Lead Intelligent Equipment Co. Ltd.	149,998	1,394,646
Xinyi Glass Holdings Ltd.	500,000	2,010,735
Yatsen Holding Ltd.	200,000	4,290,673
Yunnan Energy New Material Co. Ltd.	30,000	1,300,665
Zhejiang Sanhua Intelligent Controls Co. Ltd.	799,975	2,781,990
Zhejiang Shuanghuan Driveline Co. Ltd. (Warrant 04/08/2026)	1,000,000	3,325,743

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS CHINA FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest sales	Units	Proceeds (USD)
Aier Eye Hospital Group Co. Ltd.	130,950	1,161,350
Alibaba Group Holding Ltd.	115,000	3,503,278
Anta Sports Products Ltd.	100,000	1,581,386
Bilibili Inc.	20,000	3,001,972
China Gas Holdings Ltd.	706,000	2,459,544
China Tourism Group Duty Free Corp. Ltd.	119,994	4,660,130
Dian Diagnostics Group Co. Ltd.	200,000	1,076,114
ENN Energy Holdings Ltd.	150,000	2,600,468
GSX Techedu Inc.	10,000	1,035,126
Guangzhou Kingmed Diagnostics Group Co. Ltd.	120,000	2,528,219
Innovent Biologics, Inc.	150,000	1,224,469
JD.com, Inc.	95,000	3,531,333
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	100,000	2,940,249
Jinxin Fertility Group Ltd.	700,000	1,354,774
KE Holdings, Inc.	40,000	2,296,574
Kuaishou Technology	85,000	2,186,009
Kweichow Moutai Co. Ltd.	4,000	1,303,497
Li Ning Co. Ltd.	300,000	2,001,423
LONGi Green Energy Technology Co. Ltd.	231,894	3,201,058
Luzhou Laojiao Co. Ltd.	189,300	5,587,050
Meituan Dianping	80,000	2,951,862
Microport Scientific Corp.	400,000	2,071,249
Pinduoduo, Inc.	26,000	2,813,783
Poly Property Services Co. Ltd.	150,000	1,024,842
Sany Heavy Industry Co. Ltd.	400,000	1,644,911
Shandong Sinocera Functional Material Co. Ltd.	360,000	2,580,543
Shanghai M&G Stationery, Inc.	75,000	1,118,717
Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	49,947	3,517,472
Songcheng Performance Development Co. Ltd.	349,886	893,476
Sungrow Power Supply Co. Ltd.	140,000	3,069,489
TAL Education Group	15,000	1,004,501
Tencent Holdings Ltd.	20,000	1,598,941
Topchoice Medical Corp.	35,000	1,239,586
Venus MedTech Hangzhou, Inc.	100,000	1,225,456
Wuliangye Yibin Co. Ltd.	77,413	2,471,229
WuXi AppTec Co. Ltd.	50,000	1,367,241
Yatsen Holding Ltd.	200,000	2,840,555

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (GBP)
Alibaba Group Holding Ltd.	8,400	1,480,585
Amazon.com, Inc.	4,300	10,982,642
Becton Dickinson & Co.	19,300	3,360,749
Canadian Pacific Railway Ltd.	36,400	1,794,415
Catalent, Inc.	12,600	956,358
CoStar Group, Inc.	10,100	5,946,633
CVS Health Corp.	70,600	4,147,138
Fiserv, Inc.	29,000	2,450,581
Illumina, Inc.	10,475	2,664,927
Microsoft Corp.	73,500	12,261,540
Moody's Corp.	29,400	5,960,074
Unilever PLC	91,486	3,554,024
Vinci S.A.	32,600	2,243,064

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

**VERITAS GLOBAL REAL RETURN FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Largest sales	Units	Proceeds (GBP)
Abbott Laboratories	98,900	8,842,467
Aena SME S.A.	23,300	2,826,943
Airbus SE	143,600	11,937,093
Alibaba Group Holding Ltd.	12,100	1,846,840
Alphabet, Inc.	8,500	14,284,012
BAE Systems PLC	675,700	3,605,020
Becton Dickinson & Co.	10,900	1,983,940
Canadian Pacific Railway Ltd.	13,400	3,489,875
Catalent, Inc.	23,200	2,241,443
Charter Communications, Inc.	13,000	7,118,602
Cochlear Ltd.	74,200	9,347,270
Cooper Cos, Inc	13,700	4,025,675
CVS Health Corp.	106,600	5,491,898
Facebook, Inc.	6,500	1,452,324
Fiserv, Inc.	22,700	1,802,449
Intercontinental Exchange, Inc.	61,100	5,052,296
Mastercard, Inc.	15,000	3,961,764
Microsoft Corp.	18,900	3,555,819
Moody's Corp.	5,000	1,346,280
Nestle S.A.	62,100	5,484,184
Safran S.A.	95,000	10,071,846
Sonic Healthcare Ltd.	132,551	2,718,917
Svenska Handelsbanken AB	1,162,100	8,668,749
Unilever PLC	68,100	2,983,164
UnitedHealth Group, Inc.	11,500	2,988,332
Vinci S.A.	30,100	2,266,764

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS FUNDS PLC

VERITAS IZOARD FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (USD)
Alibaba Group Holding Ltd.	11,400	2,924,233
CVS Health Corp.	6,100	520,812
Microsoft Corp.	16,300	3,732,054
Moody's Corp.	8,400	2,376,390
Unilever PLC	8,000	432,900
Vinci S.A.	8,600	704,643
Largest sales	Units	Proceeds (USD)
Airbus SE	28,900	3,260,766
Alphabet, Inc.	2,100	4,487,170
British American Tobacco PLC	74,300	2,877,809
Canadian Pacific Railway Ltd.	6,000	443,330
Charter Communications, Inc.	767	484,677
Cooper Cos, Inc.	1,900	801,438
CVS Health Corp.	12,500	932,012
Intercontinental Exchange, Inc.	200	22,736
Nestle S.A.	11,400	1,434,504
Philip Morris International, Inc.	37,400	3,188,144
Safran S.A.	4,500	629,024
Sonic Healthcare Ltd.	24,028	666,047
Unilever PLC	6,300	381,298
Vinci S.A.	2,300	240,484

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest purchases	Units	Cost (USD)
Alibaba Group Holding Ltd.	3,700	116,567
Avenue Supermarts Ltd. (Warrant 07/10/2025)	7,800	216,931
Divi's Laboratories Ltd. (Warrant 09/02/2026)	5,100	258,280
Epiroc AB	13,800	204,514
Foshan Haitian Flavouring & Food Co. Ltd.	24,900	418,800
Indian Energy Exchange Ltd. (Warrant 18/11/2024)	48,000	245,638
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	2,800	72,914
Kotak Mahindra Bank Ltd.	33,600	776,163
Kotak Mahindra Bank Ltd. (Warrant 02/06/2025)	32,800	833,938
Nestle S.A.	1,300	150,161
Netflix, Inc.	1,300	679,160
New Oriental Education & Technology Group, Inc.	1,400	226,576
Pernod Ricard S.A.	600	114,454
Safran S.A.	1,900	243,224
SAP SE	2,200	316,280
Tata Consultancy Services Ltd. (Warrant 25/02/2025)	1,500	67,254
Tencent Holdings Ltd.	3,200	210,010
Thermo Fisher Scientific, Inc.	1,300	589,716
Wuliangye Yibin Co. Ltd.	12,100	396,938
Yihai International Holding Ltd.	71,000	418,240

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND
SCHEDULE OF CHANGES IN INVESTMENTS (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Largest sales	Units	Proceeds (USD)
Airbus SE	1,900	251,337
Bandhan Bank Ltd. (Warrant 31/10/2024)	77,600	320,700
British American Tobacco PLC	4,600	174,504
Corteva, Inc.	11,900	554,342
Facebook, Inc.	400	132,617
Info Edge India Ltd. (Warrant 31/12/2024)	2,800	176,386
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	22,600	674,054
Kotak Mahindra Bank Ltd. (Warrant 02/06/2025)	32,800	757,090
Nestle S.A.	4,100	516,469
Network International Holdings PLC	53,000	198,117
New Oriental Education & Technology Group, Inc.	35,000	78,275
Nexon Co. Ltd.	8,900	235,772
Reckitt Benckiser Group PLC	6,800	529,136
Sea Ltd.	100	25,490
Unilever PLC	10,800	611,706
Wizz Air Holdings PLC	600	42,810

The Schedule of Changes in Investments reflects the aggregate purchases of a security exceeding one percent of the total value of purchases for the year and aggregate sales of a security exceeding one percent of the total sales for the year.

A full list is available free of charge from the administrator.

SUPPLEMENTARY INFORMATION (UNAUDITED)

1. Total expense ratio

The total expense ratio for each share class of each Sub-Fund for the year ended 30 September 2021 is as follows:

Veritas Asian Fund

USD A Class Shares	1.06%
GBP A Class Shares	1.06%
EUR A Class Shares	1.06%
USD B Class Shares	1.56%
GBP B Class Shares	1.56%
EUR B Class Shares	1.57%
USD C Class Shares	0.81%
GBP C Class Shares	0.81%
EUR C Class Shares	0.81%
USD D Class Shares	0.81%
GBP D Class Shares	0.81%
EUR D Class Shares	0.82%
USD A Accumulation Class*	1.08%
GBP A Accumulation Class**	1.07%
EUR A Accumulation Class***	1.08%
USD B Accumulation Class****	1.58%

Veritas Global Focus Fund

USD A Class Shares	1.03%
GBP A Class Shares	1.03%
EUR A Class Shares	1.03%
USD B Class Shares	1.53%
GBP B Class Shares	1.53%
EUR B Class Shares	1.53%
USD C Class Shares	0.78%
GBP C Class Shares	0.78%
EUR C Class Shares	0.78%
USD D Class Shares	0.78%
GBP D Class Shares	0.78%
EUR D Class Shares	0.78%
NOK E Class Shares	0.78%

Veritas Global Equity Income Fund

USD A Class Shares	1.07%
GBP A Class Shares	1.07%
EUR A Class Shares	1.07%
USD B Class Shares	1.57%
GBP B Class Shares	1.57%

* Launched: 11 March 2021

** Launched: 2 November 2020

*** Launched: 1 February 2021

**** Launched: 2 March 2021

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

1. Total expense ratio (continued)

Veritas Global Equity Income Fund (continued)

EUR B Class Shares	1.57%
USD C Class Shares	0.00%
GBP C Class Shares	0.82%
EUR C Class Shares	0.82%
USD D Class Shares	0.82%
GBP D Class Shares	0.82%
EUR D Class Shares	0.82%
USD E Class Shares	1.57%

Veritas China Fund

USD A Class Shares	1.18%
GBP A Class Shares	1.18%
EUR A Class Shares	1.17%
GBP B Class Shares	1.68%
EUR B Class Shares	1.67%

Veritas Global Real Return Fund

USD A Class Shares	1.05%
GBP A Class Shares	1.05%
EUR A Class Shares	1.05%
USD B Class Shares	1.55%
GBP B Class Shares	1.55%
EUR B Class Shares	1.55%
USD D Class Shares	0.90%
GBP D Class Shares	0.90%
EUR D Class Shares	0.90%
USD E Class Shares	0.90%
EUR E Class Shares	0.91%

Veritas Izoard Fund

USD C Class Shares	0.54%
GBP C Class Shares	0.54%

Veritas Third Eye Global Emerging Markets Fund

USD A Class Shares	1.25%
GBP A Class Shares	1.25%

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data

The percentage total return of one share, of each share class from inception is calculated in accordance with the Swiss Funds Association and is detailed below:

Share Class	12 month period to 30 September 2021	Inception to 30 September 2021
Veritas Asian Fund		
USD A Class Shares	25.96%	683.82%
GBP A Class Shares	20.27%	983.55%
EUR A Class Shares	27.50%	672.02%
USD B Class Shares	25.33%	438.77%
GBP B Class Shares	19.67%	689.43%
EUR B Class Shares	26.83%	462.67%
USD C Class Shares	26.28%	155.78%
GBP C Class Shares	20.57%	131.63%
EUR C Class Shares	27.82%	69.45%
USD D Class Shares	26.28%	146.64%
GBP D Class Shares	20.57%	126.14%
EUR D Class Shares	27.81%	92.37%
USD A Accumulation Class*	N/A	(5.10%)
GBP A Accumulation Class**	N/A	14.35%
EUR A Accumulation Class***	N/A	4.42%
USD B Accumulation Class****	N/A	(3.80%)

Veritas Asian Fund Benchmark

MSCI AC Asia Pacific ex Japan (USD A Class Shares)
 MSCI AC Asia Pacific ex Japan (GBP A Class Shares)
 MSCI AC Asia Pacific ex Japan (EUR A Class Shares)
 MSCI AC Asia Pacific ex Japan (USD B Class Shares)
 MSCI AC Asia Pacific ex Japan (GBP B Class Shares)
 MSCI AC Asia Pacific ex Japan (EUR B Class Shares)
 MSCI AC Asia Pacific ex Japan (USD C Class Shares)
 MSCI AC Asia Pacific ex Japan (GBP C Class Shares)
 MSCI AC Asia Pacific ex Japan (EUR C Class Shares)
 MSCI AC Asia Pacific ex Japan (USD D Class Shares)
 MSCI AC Asia Pacific ex Japan (GBP D Class Shares)
 MSCI AC Asia Pacific ex Japan (EUR D Class Shares)
 MSCI AC Asia Pacific ex Japan (USD A Accumulation Class)
 MSCI AC Asia Pacific ex Japan (GBP A Accumulation Class)
 MSCI AC Asia Pacific ex Japan (EUR A Accumulation Class)
 MSCI AC Asia Pacific ex Japan (USD B Accumulation Class)

* Launched: 11 March 2021

** Launched: 2 November 2020

*** Launched: 1 February 2021

**** Launched: 2 March 2021

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data (continued)

Share Class	12 month period to 30 September 2021	Inception to 30 September 2021
Veritas Global Focus Fund		
USD A Class Shares	22.95%	377.85%
GBP A Class Shares	17.39%	504.01%
EUR A Class Shares	24.45%	151.08%
USD B Class Shares	22.34%	238.07%
GBP B Class Shares	16.82%	352.79%
EUR B Class Shares	23.85%	193.39%
USD C Class Shares	23.26%	432.54%
GBP C Class Shares	17.69%	571.24%
EUR C Class Shares	24.76%	364.55%
USD D Class Shares	23.19%	396.06%
GBP D Class Shares	17.63%	526.63%
EUR D Class Shares	24.68%	331.74%
NOK E Class Shares	20.92%	26.83%
Veritas Global Equity Income Fund		
USD A Class Shares	22.31%	41.67%
GBP A Class Shares	16.79%	104.08%
EUR A Class Shares	23.82%	139.63%
USD B Class Shares	21.69%	36.36%
GBP B Class Shares	16.20%	82.27%
EUR B Class Shares	23.19%	113.46%
USD C Class Shares	27.65%	117.00%
GBP C Class Shares	20.76%	209.65%
EUR C Class Shares	28.06%	263.41%
USD D Class Shares	22.62%	49.40%
GBP D Class Shares	17.09%	116.11%
EUR D Class Shares	24.11%	150.11%
USD E Class Shares	16.11%	57.50%
Veritas China Fund		
USD A Class Shares	7.30%	140.22%
GBP A Class Shares	2.45%	138.31%
EUR A Class Shares	8.71%	123.60%
GBP B Class Shares	1.94%	125.04%
EUR B Class Shares	8.07%	122.05%

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data (continued)

Share Class	12 month period to 30 September 2021	Inception to 30 September 2021
Veritas Global Real Return Fund		
USD A Class Shares	4.21%	250.83%
GBP A Class Shares	4.48%	93.53%
EUR A Class Shares	3.43%	87.48%
USD B Class Shares	3.70%	230.89%
GBP B Class Shares	3.96%	84.99%
EUR B Class Shares	2.92%	95.32%
USD D Class Shares	4.36%	45.76%
GBP D Class Shares	4.64%	94.68%
EUR D Class Shares	3.58%	32.62%
USD E Class Shares	9.59%	13.42%
EUR E Class Shares*	N/A	31.58%
Veritas Izoard Fund		
USD C Class Shares	22.91%	66.82%
GBP C Class Shares	17.36%	95.34%
Veritas Third Eye Global Emerging Markets Fund		
USD A Class Shares	19.26%	27.88%
GBP A Class Shares	13.87%	20.30%

* Liquidated: 8 July 2021

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data (continued)

Share Class	12 month period to 30 September 2020	Inception to 30 September 2020
Veritas Asian Fund		
USD A Class Shares	34.64%	522.27%
GBP A Class Shares	29.10%	800.93%
EUR A Class Shares	25.56%	505.52%
USD B Class Shares	33.96%	329.87%
GBP B Class Shares	28.46%	559.66%
EUR B Class Shares	24.98%	343.65%
USD C Class Shares	34.97%	102.56%
GBP C Class Shares	29.43%	92.11%
EUR C Class Shares	25.80%	32.57%
USD D Class Shares	34.86%	95.31%
GBP D Class Shares	29.32%	87.55%
EUR D Class Shares	25.78%	50.51%
Veritas Asian Fund Benchmark		
MSCI AC Asia Pacific ex Japan (USD A Class Shares)		
MSCI AC Asia Pacific ex Japan (GBP A Class Shares)		
MSCI AC Asia Pacific ex Japan (EUR A Class Shares)		
MSCI AC Asia Pacific ex Japan (USD B Class Shares)		
MSCI AC Asia Pacific ex Japan (GBP B Class Shares)		
MSCI AC Asia Pacific ex Japan (EUR B Class Shares)		
MSCI AC Asia Pacific ex Japan (USD C Class Shares)		
MSCI AC Asia Pacific ex Japan (GBP C Class Shares)		
MSCI AC Asia Pacific ex Japan (EUR C Class Shares)		
MSCI AC Asia Pacific ex Japan (USD D Class Shares)		
MSCI AC Asia Pacific ex Japan (GBP D Class Shares)		

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data (continued)

Share Class	12 month period to 30 September 2020	Inception to 30 September 2020
Veritas Global Focus Fund		
USD A Class Shares	9.39%	288.65%
GBP A Class Shares	4.89%	414.52%
EUR A Class Shares	2.02%	101.76%
USD B Class Shares	8.88%	176.34%
GBP B Class Shares	4.41%	287.60%
EUR B Class Shares	1.55%	136.90%
USD C Class Shares	9.70%	332.06%
GBP C Class Shares	5.20%	470.37%
EUR C Class Shares	2.31%	272.36%
USD D Class Shares	9.40%	302.66%
GBP D Class Shares	4.91%	432.72%
EUR D Class Shares	2.03%	246.28%
NOK E Class Shares	5.63%	4.89%
Veritas Global Equity Income Fund		
USD A Class Shares	(9.47%)	15.83%
GBP A Class Shares	(13.18%)	74.73%
EUR A Class Shares	(15.57%)	93.53%
USD B Class Shares	(9.93%)	12.05%
GBP B Class Shares	(13.62%)	56.85%
EUR B Class Shares	(16.00%)	73.27%
USD C Class Shares	(5.20%)	70.00%
GBP C Class Shares	(9.66%)	156.41%
EUR C Class Shares	(12.15%)	183.78%
USD D Class Shares	(9.24%)	21.84%
GBP D Class Shares	(12.96%)	84.57%
EUR D Class Shares	(15.35%)	101.53%
USD E Class Shares	(13.02%)	35.65%
Veritas China Fund		
USD A Class Shares	47.42%	123.87%
GBP A Class Shares	41.37%	132.61%
EUR A Class Shares	37.47%	105.69%
GBP B Class Shares	40.66%	120.76%
EUR B Class Shares	36.96%	105.47%

SUPPLEMENTARY INFORMATION (UNAUDITED) (CONTINUED)

2. Fund performance data (continued)

Share Class	12 month period to 30 September 2020	Inception to 30 September 2020
Veritas Global Real Return Fund		
USD A Class Shares	4.86%	236.66%
GBP A Class Shares	4.69%	85.23%
EUR A Class Shares	3.24%	81.26%
USD B Class Shares	4.32%	219.09%
GBP B Class Shares	4.17%	77.94%
EUR B Class Shares	2.72%	89.78%
USD D Class Shares	4.97%	39.66%
GBP D Class Shares	4.85%	86.05%
EUR D Class Shares	3.34%	28.03%
USD E Class Shares*	N/A	3.50%
EUR E Class Shares	1.97%	18.25%
Veritas Izoard Fund		
USD C Class Shares	9.19%	35.72%
GBP C Class Shares	4.71%	66.45%
Veritas Third Eye Global Emerging Markets Fund		
USD A Class Shares	8.51%	7.22%
GBP A Class Shares	0.00%	1.53%

* Launched: 29 November 2019

Past performance is no indication of current or future performance and that the performance data do not take account of commissions and costs incurred on the issue and redemption of units.

The Extract Prospectus, the documents of the Company listed in the Extract Prospectus, the yearly and half-yearly reports as well as the Articles and the simplified Extract Prospectus, can be obtained, or be ordered free of charge, from the Zurich branch of the Swiss Representative during normal business hours.

ADDITIONAL INFORMATION (UNAUDITED)

UCITS V – Disclosure of Remuneration Policy

Veritas Funds Plc (the “Company”) has implemented a remuneration policy pursuant to Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards to depositary functions, remuneration policies and sanctions (the “UCITS V Directive”).

This remuneration policy has been adopted by the Board of Directors in their supervisory function and who will be responsible for (i) reviewing the general principles of the remuneration policy on an annual basis and (ii) ensuring that the implementation of the remuneration policy is subject to review on an annual basis. Any revisions to the remuneration policy will also require their approval.

As of 30 September 2021 the Company was a self-managed investment company with no employees, other than the Board of Directors. This remuneration policy addresses the remuneration requirements of the UCITS V Directive as they apply to the Company. The Company will ensure that appropriate contractual arrangements are put in place with entities to which investment management is delegated to ensure that the UCITS remuneration rules are not circumvented or that such delegates are subject to regulatory requirements on remuneration which are equally effective as those applicable under the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive ESMA 2016/575 (the “ESMA Guidelines”). Contractual arrangements relate to any payments made to delegates’ identified staff as compensation for performance of investment management activities on behalf of the Company.

The Board of Directors of the Company consists of only non-executive Directors. The members of the Board of Directors receive a fixed fee only and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company’s business strategy, objectives, values and the values of its Shareholders, the extent of the responsibilities of the Board and the number of board meetings. No pension contributions are payable on Board members’ fees.

Taking into account the Company’s size, internal organisation nature, the scope and complexity of its activities, the Board of Directors has decided to dis-apply the remuneration committee requirement. The Board is satisfied that this disapplication is reconcilable with the risk profile, risk appetite and the strategy of the Company and its Sub-Funds.

Additionally as the Company does not pay any variable remuneration to any of the Directors appointed by the Company, the “pay out process rules” as set out in the UCITS V Directive are not applicable to the Company and an assessment of whether they need to be dis-applied is not required.

Remuneration of Veritas Asset Management LLP (the “Investment Manager”) split into fixed and variable is detailed in Note 3 of the financial statements. During the period, remuneration of USD 101,688,470 was earned by the Company to the Investment Manager of which USD 8,545,343 remained outstanding at period end.

ADDITIONAL INFORMATION (UNAUDITED) (CONTINUED)

UCITS V – Disclosure of Remuneration Policy (continued)

The Investment Manager is regulated by the UK Financial Conduct Authority ("FCA") and complies with the Remuneration Code of the FCA ("the Code"). As part of the Code, the Investment Manager discloses on an annual basis, its remuneration policies and procedures, and the proportion of overall remuneration (both fixed and variable) that is assigned to senior management (including executives) and members of staff of the Investment Manager whose actions have a material impact on the risk profile of the Company and other investment mandates run by the Investment Manager ("Code Staff"). In the most recent disclosure, the proportion of overall remuneration assigned to Code Staff was over 90%.