

**VERITAS FUNDS PLC**

**INTERIM REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

## VERITAS FUNDS PLC

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### TABLE OF CONTENTS

Directory	2
Investment Manager's Report	
- <i>Veritas Asian Fund</i>	3
- <i>Veritas Global Focus Fund</i>	8
- <i>Veritas Global Equity Income Fund</i>	14
- <i>Veritas China Fund</i>	20
- <i>Veritas Global Real Return Fund</i>	25
- <i>Veritas Izoard Fund</i>	31
- <i>Veritas Third Eye Global Emerging Markets Fund</i>	34
Schedule of Investments	
- <i>Veritas Asian Fund</i>	40
- <i>Veritas Global Focus Fund</i>	43
- <i>Veritas Global Equity Income Fund</i>	49
- <i>Veritas China Fund</i>	52
- <i>Veritas Global Real Return Fund</i>	54
- <i>Veritas Izoard Fund</i>	63
- <i>Veritas Third Eye Global Emerging Markets Fund</i>	65
Statement of Financial Position	68
Statement of Comprehensive Income	72
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	75
Statement of Cash Flows	78
Notes to the Financial Statements	81
Schedule of Significant Changes in Investments	
- <i>Veritas Asian Fund</i>	105
- <i>Veritas Global Focus Fund</i>	107
- <i>Veritas Global Equity Income Fund</i>	108
- <i>Veritas China Fund</i>	109
- <i>Veritas Global Real Return Fund</i>	111
- <i>Veritas Izoard Fund</i>	113
- <i>Veritas Third Eye Global Emerging Markets Fund</i>	114
Supplementary Information	115

# VERITAS FUNDS PLC

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VERITAS ASIAN FUND

INVESTMENT MANAGER'S REPORT

In a stark contrast to the bullish mood in 2019, risk assets plunged into a bear market in the first quarter of 2020 with the MSCI World Index collapsing 21% in USD terms, suffering the worst calendar quarterly loss since the Global Financial Crisis (-22% in Q4 2008). The bearish sentiments were triggered by anticipation of an acute recession due to the COVID-19 pandemic shutdown as well as the ongoing oil price war. In Q1 2020 the MSCI AC Asia Pacific ex Japan dropped 21%, in line with the MSCI World (-21%) and the S&P 500 (-20%). The Veritas Asian Fund (USD A) fell 16.1% in the first quarter. Over the last six months the Veritas Asian Fund fell 7.9% against the MSCI AC Asia Pacific ex Japan index which fell 12.4%.

**Impact of COVID-19**

In previous quarterlies, we have written extensively about the market's ability to move from excessive optimism to acute pessimism. We are again at the stage of utmost pessimism as markets are confronted with a confluence of fears ranging from global recession due to COVID-19 lockdowns, collapsing oil prices and the continuing US/China trade wars.

The COVID-19 is the most severe pandemic since the Spanish Flu of 1918. It is very difficult to predict what lies ahead in the future. However, in the short term, it does look like the draconian measures of lockdown can halt the aggressive spread of the virus, which has overwhelmed healthcare services globally. This will buy time to find ways to contain the outbreak, through beefing up the healthcare capability, finding a cure and ultimately a vaccine. In China, where the lockdown was first implemented in late January, things are starting to look more promising. Whilst there is a chance that the virus can strike again in China, there is a quiet confidence that even if it was to do so, the country is in a better position to cope.

**Gradual improvement in the second quarter**

The prospects for companies that are servicing domestic/local demand are improving for the second quarter – not great but improving! This is exactly what we are observing in the Chinese companies we follow, both in the universe list and the portfolio. There are a number of companies that are now 100% back to work, with others that are 90/95% back. From the bottom-up observation:

- In the construction machinery segment, Sany Heavy (China's largest excavator and crane company) indicated a single digit increase in March versus the -37% decline in the first two months. Jiangsu Hengli Hydraulic (supplier of machinery parts) saw its monthly cylinder production volume accelerating to 15% year on year in March.
- Cement prices are rising, which is a good sign of infrastructure spending rising, eg price rise of Rmb 50/t in Henan on March 30, +Rmb 65/6 in Qinghai on March 26 as well as +Rmb 10/t in Wenzhou and Taizhou.

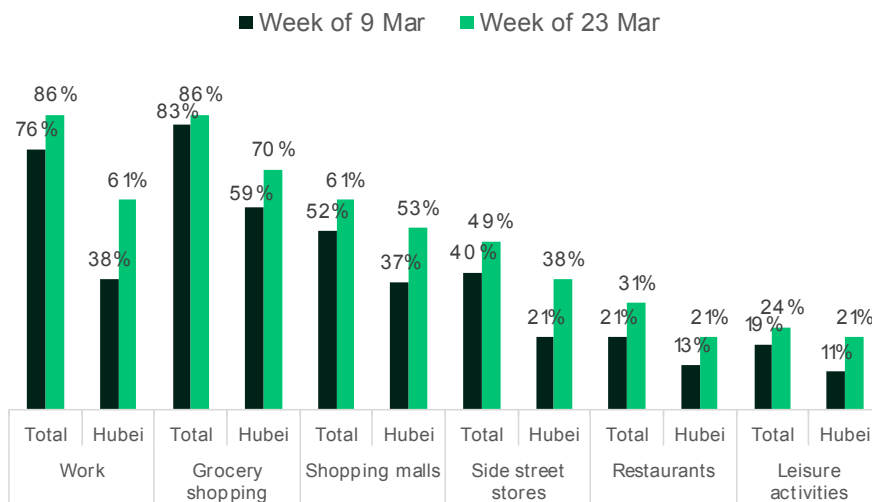
VERITAS ASIAN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

- Guangzhou and Shenzhen traffic at the end of March is back to 52-62% normalised daily traffic, faster than Beijing at 29% normalised traffic. Hangzhou is seeing one of the fastest recoveries to 70% of normalised traffic.
- For logistics, China State Post Bureau expects parcel volume for March to grow 17%, a massive recovery from the negative levels in February.

The gradual recovery of business activities is reinforced by a Morgan Stanley survey which concludes that activities are starting to normalise in China. According to Morgan Stanley Alphawise survey, the going back to work rate is rising steadily to 86% in China and 61% in Hubei. Although some of the activities such as patronising restaurants and leisure activities remained slow, they are on a gradual recovery with restaurants and leisure activities back to 31% and 24% respectively for the whole country.

**Work done out of the home in the past week Hubei v Total**



Source: Alphawise, Morgan Stanley Research

**Investing in spite of COVID-19**

The greater concern for markets right now is what is happening in the US & Europe, and this concern is having a bigger impact on markets than fundamentals of domestic companies. In terms of COVID-19, our base case scenario is now that with strict lock downs things will be improved by the summer from a perspective of the virus itself, however the bigger concern is the knock on effect for specific markets such as corporate credit. If these tighten, this will have a meaningful impact on markets, particularly companies with high debt/leverage and high fixed costs. Central banks globally are now tackling this issue, especially with the announcement of unlimited quantitative easing by the Federal Reserve.

VERITAS ASIAN FUND

INVESTMENT MANAGER’S REPORT  
(CONTINUED)

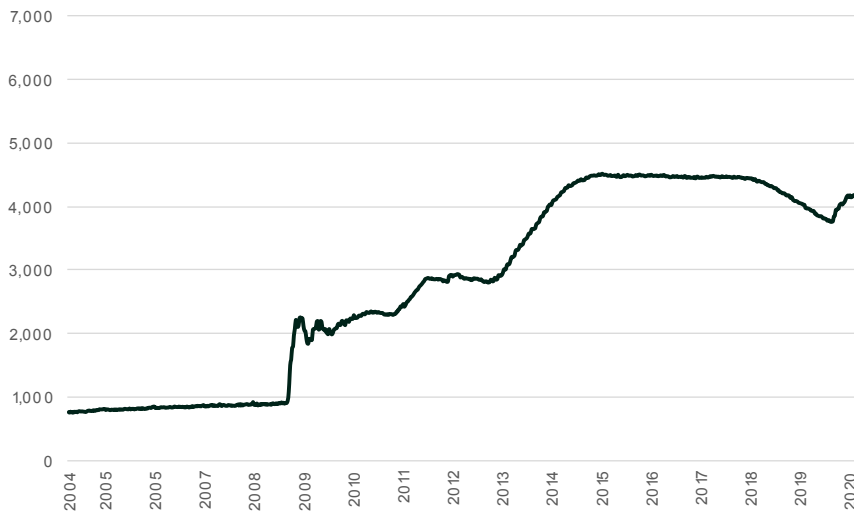
In Asia, we are not unaccustomed to sharp market collapses. Over the past 25 years we have been in the industry, we have witnessed the Asian Financial Crisis (1997-98), the bursting of the dotcom bubble (2000-02), the SARS pandemic (2003) the Global Financial Crisis (2008), the EU crisis (2011) and the Chinese equity market meltdown (2015). Each time, during the depth of the crisis, it is hard to think of any good reasons to be bullish. But each time, somehow “miraculously” the world managed to overcome these crises resulting in the markets recovering and moving into the next upcycle, albeit some crises do take longer to recover from.

From a bottom up perspective there are a lot more opportunities appearing, particularly in China, which leads us to be cautiously optimistic. The reason being that the long term fundamentals of some of the great businesses we follow and invest in have not become broken, rather their short term profitability has become impacted. The movement in share prices suggests otherwise and we do not believe this to be the case.

In our view Asian markets are not expensive at 1.3x Price to Book and forward PE of 11.5x for MSCI Asia ex Japan. Looking out 18/24 months the backdrop from a fiscal, monetary and commodity perspective is looking supportive:

- **Monetary** – the reduction in US rates has left room for rate cuts in Asia, if Asia had cut first the impact on its currencies could have been material leading to accusations of FX manipulation. As the US has cut first Asia can follow. The Fed has injected a colossal USD1.57trillion in the last four weeks, surpassing that USD1.34 trillion for the whole of 2008, the year of the Global Financial Crisis, and this USD1.57 trillion amount is almost twice that of the entire balance sheet of the Federal Reserve since its creation in 1913.

**Federal Reserve Balance Sheet (USD Billions)**



Source: Bloomberg

VERITAS ASIAN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

- Fiscal** – we have seen huge fiscal pledges made in the West already (EU EUR750 bn, UK GBP330bn, US USD2 trillion, Japan JPY60 trillion). We have not seen anything dramatic in Asia ex Japan as yet, but China had pledged to widen the fiscal deficit and to issue special sovereign bonds which it has only done twice before – once in 1998 to recapitalise state banks after the Asian Financial Crisis in 1998 and again in 2007 to set up the China Investment Corporation (CIC) when funds came from its foreign reserves. The special sovereign debt sales would need the approval from legislature, whose standing committee will meet in April. In the meantime, money is flowing from the Central Government in China to Local Governments. Local Governments are also raising capital in the bond market because the COVID-19 outbreak has highlighted that China needs to spend more on public health (particularly ICU) and on digital infrastructure such as the Cloud and 5G. Past spending on the digital infrastructure has been instrumental in supporting the economy during this crisis, a strengthening and upgrading of the infrastructure will make the economy more robust and vibrant going forward.
- Commodity** – one consequence of the current situation has been the fall in the Oil price. This is exacerbated by the ugly fracas between Russia and Saudi Arabia. As Asia is a net importer of oil this will be beneficial and help maintain FX reserves, particularly for countries like India which have no natural resources.

So, the outcome of this is that companies will generally have lower input costs and lower cost of capital (not all of them depending on balance sheet and cashflow). At the same time, there are new areas of investments such as public health and digital infrastructure. These are good building blocks for economic growth ONCE the outbreak comes under control.

**Historical Valuations**

03-Apr-20	12m fwd PE		Trailing P/B (x)		Trailing Div. Yield (%)	
	Current	5Y avg	Current	5Y avg	Current	5Y avg
Australia	13.6	15.6	1.6	1.9	5.7	4.6
China	11.2	11.5	1.6	1.7	2.1	2.2
Hong Kong	13.4	15.0	1.0	1.3	3.7	2.9
India	13.0	17.6	2.0	3.0	1.8	1.4
Indonesia	11.7	14.9	1.8	2.8	4.1	2.5
Japan	11.4	13.5	1.0	1.3	3.0	2.2
Korea	9.2	9.7	0.8	1.0	2.8	1.9
Malaysia	14.2	12.7	1.3	1.7	4.2	3.1
Philippines	10.7	17.1	1.4	2.4	2.4	1.6
Singapore	10.3	12.7	0.9	1.2	5.8	4.0
Taiwan	13.4	13.5	1.7	1.8	4.5	3.9
Thailand	13.1	14.3	1.5	2.0	4.0	3.0
Asia ex Japan	11.5	12.4	1.3	1.5	2.9	2.5
Asia Pac ex JP	11.8	12.9	1.4	1.6	3.3	2.9
Cons. Discretionary	17.5	15.0	2.2	2.0	1.3	1.8
Consumer Staples	20.2	21.1	3.5	3.2	2.1	2.4
Energy	9.8	12.1	0.8	1.2	5.4	3.6
Financials	8.0	10.2	1.0	1.3	4.9	3.9
Healthcare	33.7	27.2	5.2	5.2	1.0	1.1
Industrials	9.9	13.2	1.0	1.3	3.5	2.5
Tech	12.8	13.9	1.8	2.3	3.2	2.1
Materials	10.4	13.3	1.1	1.4	5.3	3.5
Real Estate	7.6	11.4	0.7	0.9	5.2	3.7
Communication Services	20.1	17.0	2.8	2.2	1.7	3.2
Utilities	12.4	13.1	1.2	1.4	3.9	3.4

Source: Refinitiv, MSCI

VERITAS ASIAN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

**What have we been doing?**

We have been adding to our top holdings such as Alibaba, Tencent, Kweichow Moutai, Aier Eye Hospital, CSL, Goodman Group. We participated in a deeply discounted rights issue from Cochlear, a world leading company in cochlear implants for the profoundly deaf. The company is facing a challenging environment in the face of the pandemic as elective surgeries have mostly come to a halt. The proceeds will go to continued R&D and other capex as well as working capital. We believe cochlear will emerge out of this even stronger and be able to take further market share away from its less resilient competitors. We have also initiated a few positions in China in education, online services as well as a sportswear company in China. This sportswear company (we are still building up a position) saw a big decline in its valuation premium during the sell off. It is an area of growth that we have long been attracted to as the younger generation in China has begun to embrace a much more active lifestyle than their parents' generation. This is also a generation that are more likely to buy domestic brands than imported ones as they are a more culturally self-confident generation as well.

**Conclusion: Our five themes have been domestically focused**

It is too early to try to speculate what longer term impact this virus outbreak will have on the world economy and what pain and suffering that people need to go through before we have some clarity of what lies ahead of us. However, it is increasingly clear to us that this could be another hit for globalisation. National borders have become more important in pandemic control. Long supply chains have hindered access to essential goods. Recrimination in the aftermath of the pandemic could also lead to further divisions and rivalry in the global community and for some people, this will help to strengthen their case for further disengagement. For us, that means we need to think more domestic, more local. Investment opportunities will largely be in domestic economies in Asia.

As investors will know the Veritas Asia portfolio has for some time been predominantly domestically focused. Going forward, we will likely be even more focused on domestic companies that service and benefit from local demand. Whilst we are not outright bullish for the short term, there are building blocks in place as outlined above that lead us to be cautiously optimistic and we are holding our nerve.

As the pandemic continues to rage globally, we are keenly aware of the human tragedy that is unfolding. Our thoughts and prayers are with people who have been badly affected by this pandemic. We believe however that human ingenuity and resilience will once again triumph over adversity and we will be able to defeat this virus and usher in a better world for each one of us.



VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT

Before our typical discussion, we wanted to acknowledge the serious nature of the Coronavirus pandemic. The impact of the virus is far more wide reaching than its economic damage as it very sadly has a tangible human cost. Our thoughts are with those who are suffering or who have lost loved ones to this virus and with the many who are working hard to treat and care for the growing numbers of patients of this disease.

**A Black Swan Event**

Over the past few years, our analysis has indicated that equities as a whole have been somewhat expensive, driven to such valuations by monetary and fiscal policy makers. As a consequence of this, it had become increasingly difficult to identify quality companies that were available to invest in at levels commensurate with earning an attractive rate of return over the subsequent 5 years or so. Occasionally, opportunities would present themselves to us either in the form of individual companies facing a short-term issue or due to a wider decline in markets (such as Q4 2018) which then allowed us to deploy capital. However, despite these opportunities cash has remained at relatively elevated levels for much of the recent few years.

The emergence of a global pandemic in Coronavirus has led to a major decline in all equity markets as economic activity has come to a standstill. Many shares have declined 25 – 40% with seemingly little differentiation between companies and sectors as investors have tried to come to terms with the implication for earnings, cash flows and balance sheets. The short term (c.12 month) outcome is at present unknown and unknowable which is one of the reasons the sell off has been so severe – there is nothing investors hate more than uncertainty.

At Veritas, we believe we have one major advantage in times like these: our long-term investment horizon. We have no special insight into how the virus will develop, whether there will be a material “rebound” in those countries where the virus has largely been eliminated or if it will recur in the Autumn / Winter. However, we can make some assumptions that look further out than the near term – looking out to a period when treatment of the virus is more successful (either due to the development of a vaccine or the widespread use of drugs that treat the symptoms of the virus better) and economic activity has returned to something more like normal. This long-term outlook then allows us to identify companies that we believe have been unfairly penalised in the short-term declines: companies with market leading positions, strong balance sheets and frequently essential products or services. In short, enduring companies with strong competitive advantages whose share prices have declined with all other companies in the knee jerk reaction to such an exogenous event.

We have approached investing in these companies using two scenarios: a base case and a more bearish case. The base case assumes that the global trajectory of the virus broadly follows the experience in China and South Korea.

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

In these countries, somewhere between 40 and 60 days after lockdowns were imposed, the virus was in retreat with very few new cases. Good contact tracing then led to new cases (and their contacts) being rapidly isolated preventing significant further spread. Under this scenario the first half of 2020 sees limited economic activity due to wide lockdowns being imposed but the second half of 2020 starts to see a recovery, albeit uneven as localised breakouts of the virus lead to further (localised) lockdowns. The more bearish case assumes that the rest of the world do not contain the virus as well as China and South Korea (post lockdown) and consequently the virus remains circulating in the population for much longer, leading to longer (but more ineffective) lockdowns. In this scenario the second half of 2020 also sees limited economic activity with a slower recovery expected in 2021 (again with the expectation that the virus resurfaces during 2021). In either scenario, policy makers use all the tools available to them to accelerate any recovery once it begins.

Having developed our two scenarios, we then mined our list of quality companies for those we believe are likely to be least impacted in the medium to longer term. These are typically those in more stable industries and / or where the structural demand for their product or service is likely to remain strong over the medium term. We then set a range of entry prices for these companies with initial entry points (for smaller positions) set using our base case and scaling the position size up at lower and lower entry points until we would have a full position at our more bearish scenario. Following this process has led to cash declining substantially over the last 2 weeks of the quarter as we have managed to find attractive investments in quality companies at prices between our base case and our bear case. It may be that these share prices decline further from the prices that we invested but we feel confident looking out over a five year horizon that the returns from these investments will be attractive.

The companies we have made new investments in include Mastercard, Cochlear, Becton Dickinson, Abbott Laboratories and Alibaba. In addition to these new investments, we have also increased our investment in a number of existing holdings where the share price declines have been outsized compared with our analysis of the long-term earnings prospects of those businesses and therefore believe that the current share price is giving us an opportunity to earn an outsized return.

**Mastercard**

We have long believed that the card networks are the among the best business models in the world. Along with Visa, Mastercard operates in a powerful global duopoly and is the prime beneficiary of strong continued structural growth in global payments, thanks to cash moving to cards and electronic payments. It has a very attractive business model thanks to high barriers to entry; strong operating leverage; low capital intensity and a strong financial position. Furthermore, Mastercard carries no credit risk and has pricing power because the bulk of its revenues stem from network fees that are just a small part of the overall cost of processing payments for merchants.

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Card networks are scarce but essential for the criss-crossing of card and electronic payments and, being the rails that are critical for these payments, Mastercard has solid and resilient prospects for many years to come. Secular growth is underwritten thanks to a large and growing addressable market, where card penetration is still under 50%, even for consumer payments for goods and services. Strong growth in e-commerce is driving penetration faster still. Being right at the centre of the payment infrastructure means that the card schemes, such as Mastercard, are the prime beneficiaries of these positive secular trends. By way of example, PayPal is the leading e-commerce payment operator but does not own any actual bilateral payment infrastructure and therefore must pay Mastercard a toll to run payments across the Mastercard network.

Although we believe the long-term future of Mastercard is secure, the company is facing near-term headwinds, thanks to the negative impact of COVID-19 lockdowns on spending volumes. In light of this, Mastercard has abandoned its earnings guidance for 2020. However, Mastercard has proved highly resilient in the past and we believe long-term secular support continues. Back in the GFC, Mastercard still managed to grow revenues even with declines in both US consumer spending and retail sales, as well as a stalling of growth in cross-border payments. This was because card payments displaced cash and Mastercard also raised network fees. Growing e-commerce is just making Mastercard more durable. Furthermore, Mastercard has operational flexibility and during the last crisis was able to reduce costs, increase its margin and continue to compound earnings strongly – and we believe Mastercard is good for its pledge to ramp up cost savings now.

We believe the recent decline in the share price of Mastercard started to discount woeful expectations for growth and we took the opportunity to exploit this. Based on highly stressed assumptions for the near term - we believe we secured an expected IRR of +15%. Despite the near-term headwinds, we expect continued structural tailwinds. In the meanwhile, the financial position of Mastercard is pristine with little debt and strong cash generation.

**Cochlear**

We have long appreciated that Cochlear is a high quality company, being the market developer and leader in a growth market, with very high barriers to entry and pricing power, and earning a five year average ROIC of 25% (2015-2019). Cochlear Limited is the market leading manufacturer of inner ear (or cochlea) implants, which convey an electrical representation of sound to the brain of those with profound deafness. It is a life-altering treatment, offering a place in the hearing world to those born deaf or those who have lost their hearing through age, illness or injury. There is no medical alternative for the profoundly deaf.

Cochlear is a company we know well, having owned shares in the past, selling only as we felt the valuation had become too stretched. The company has remained closely followed on our Universe list in the hope that we would have an opportunity to reinvest at an attractive valuation. The impacts of the global coronavirus pandemic on elective medical procedures, coupled with a simultaneous unexpected patent litigation case loss in the US have given us this opportunity at an attractive IRR (>15%) in a company that for so long has been very highly valued.

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Whilst developed countries have embraced this technology for infants and children with hearing loss, penetration of cochlear implants remains very low in emerging markets as health systems begin to adopt reimbursement systems to allow children access to this technology. Another major opportunity remains in the adult market, where global penetration of cochlear implants remains very low, despite adequate reimbursement in major markets.

However, awareness of the technology is growing, as is an understanding life expectancy is increasing and thus coping with hearing loss may otherwise be a multi-decade battle. Further, the correlation between hearing loss and onset of dementia is also generating much research interest and may in time expand access and awareness of cochlear implants.

**Abbott Laboratories**

Abbott Laboratories is a global healthcare products company with leading positions across diagnostics, nutrition, cardiovascular devices, diabetes care and established pharmaceuticals with sales of \$32bn in 2019. These franchises benefit from Abbott's trusted brand, intellectual property, strong customer relationships and Abbott's global scale. Abbott is also well diversified by geography with a presence in more than 160 countries. 40% of sales are derived from a variety of emerging markets positioning Abbott to benefit from more rapidly growing demand for healthcare in these markets.

Despite Abbott's size and diversity, we believe the company can deliver high single digit organic sales growth in the coming years driven by several nascent but potentially significant markets where Abbott is amongst the leaders. We see the largest opportunity in continuous glucose monitoring (CGM) replacing traditional finger prick testing to become the standard of care for insulin using diabetics. Since launch in 2014 Abbott's Freestyle Libre has quickly grown to become the market leading CGM thanks to ease of use and a disruptive price point - approximately half that of competitive systems. Given Abbott's fully automated, scale manufacturing it is unlikely any of their peers will be able to match their pricing over the next four to five years and Abbott's cost position will continue to improve with scale. There are 425m diabetics globally today and their numbers are expected to swell to 629m by 2045 according to the international diabetes federation. Almost 2 million patients used Libre in 2019, around 2/3rds of all CGM users, generating sales of \$1.8bn. Abbott's initial target is the c.40m insulin using diabetics in the 50 markets Libre is approved. If long run CGM penetration of insulin using diabetics reaches 75%, Libre price falls to c.\$800 per year from \$1,100 currently and Abbott can capture 1/3rd of the market Libre sales could reach \$8bn at high profitability.

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

There undoubtedly will be some disruption to Abbott's business in the short term as a result of COVID-19 likely reducing the demand for certain medical procedures and diagnostic tests but with its diverse collection of highly cash generative businesses and strong balance sheet Abbott will be able to manage through these headwinds. Cardiovascular procedures can only be delayed for a short time and Abbott may even benefit in the long run from increased levels of diagnostic testing. At our entry price the shares were valued at a 4.2% free cash flow yield and we estimate a c.15% IRR over our investment horizon.

**Alibaba**

Alibaba is China's largest technology company and is most analogous to Amazon in terms of business model. It currently has a 65% market share in the structurally growing Chinese e-commerce market (28% compound annual growth over the past 5 years) where it generates high returns (70% operating margins) but which we believe have room for further improvement. The company is also reinvesting into other areas where there could be significant value creation: AliCloud is the largest Chinese public cloud provider; Lazada, a leading player in the nascent South East Asia online retail markets; and, its large minority stake in Ant Financial, which is a significant financial services business (including payments platform Alipay).

The opportunity to invest has been driven by a year of external issues for Alibaba. Firstly, there was pressure from US/China trade tensions and latterly the COVID-19 outbreak in Hubei province. We have no differentiated insight into the success or failure of Chinese policies to stem the COVID pandemic. However, we believe Alibaba's competitive position and demand should improve through the crisis for two reasons: firstly, the crisis has spurred an increase in online demand for areas that are relatively underpenetrated in China (73% of the food retail remained in wet markets in 2016); and secondly, Alibaba has used its financial strength to maintain investments and provide support, including waiving some fees, to retailers during the stress where others have not been able to. Overall, Alibaba continues to have a strong core franchise in structurally growing markets and leading positions in a number of nascent opportunities which should generate value over time. The recent exogenous factors have allowed us to initiate a position at a prospective 20% five year IRR which appears compelling given the competitive position and growth opportunities of the company.

**Becton Dickinson**

Becton Dickinson (BD) is a global provider of essential medical products used by healthcare providers on a daily basis, touching an estimated 90% of patients entering the healthcare system. Their products span the continuum of care from discovery and diagnosis, to the process of care and treatment of disease. Thanks to their unrivalled manufacturing scale BD are the low-cost producer of disposable medical devices such as syringes, needles, flush sets, intravenous catheters, blood collection sets and other related accessories. BD manufacture over 40 billion disposable medical devices a year and are the largest moulder of plastic parts in the world. These high-quality disposable devices also benefit from differentiated features like needle stick injury prevention.

**VERITAS GLOBAL FOCUS FUND**

**INVESTMENT MANAGER'S REPORT  
(CONTINUED)**

BD also enjoy a large and growing installed base of diagnostic instruments and medical equipment that generate recurring consumable revenue. They are increasingly incorporating digitally enabled services to provide additional value to their hospital customers and further entrench their position. All told, around 85% of BD's revenues are recurring in nature.

In addition to COVID-19 related market weakness BD's share price has been impacted by the recall of their Alaris infusion pump announced with their first quarter results. BD will be unable to sell the Alaris pump in the US until they complete a new regulatory filing incorporating a number of changes made to the Alaris software to correct for several errors. While it may take a year or more to return Alaris to market we see this issue as resolvable and expect BD to only experience modest infusion pump share loss. They are dominant market leader in the US, with a market share of around 70%. The typical pump replacement cycle is about 7 years and BD should be able to persuade a large portion of their customers due to upgrade to wait for Alaris to return to the market given their dominant position and the need for nurses and other users to retrain if the hospital were to buy pumps from a different manufacturer.

Like all other companies BD will be impacted by COVID-19 but given the essential nature of their products we don't expect any impact on long term demand. We see a path for BD to return to mid-single digit sales growth driven by continued product innovation, expansion into adjacencies and increased penetration of their products in emerging markets. With modest margin expansion and the benefits of capital deployment BD should be able to compound earnings, free cashflow and dividends at a double-digit rate. At our entry price the shares offered an estimated 15% IRR over our investment horizon and were valued at a 5% free cash flow yield.

**Longer term perspective**

While it is understandable for investors to feel nervous in these extraordinary times, history shows that at some point, economics and markets recover. For investors, the "known, unknown" at this point is how long the pandemic will last and what the short and long term economic impact will be. Despite the pandemic induced decline in global equity markets, long term returns are still reasonable – the Veritas Global Focus Fund (USD A Class) has generated an cumulative return of 30.7% over the past five years, behind our target of OECD G7 CPI + 6% (44.7%) but well in excess of global equity markets (MSCI World USD net 17.3%). Over the shorter term the fund has declined by 5.7% over twelve months and 10.4% over the last six months. These are both disappointing but are significantly better than the MSCI World global equity index which declined 10.4% over twelve months (VGFF outperformance of 469 basis points) and 14.3% over six months (VGFF outperformance of 390 basis points).

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT

**Context**

Life has changed profoundly for all of us in a short amount of time, and things that we took for granted just last month have been shown to be fragile and often far from certain: our health; our healthcare; our jobs; our food supply; to a certain extent our freedom. At this difficult time we hope that all of our investors are safe and well, and our thoughts are with those who are suffering. Moreover, we are deeply grateful to all of the frontline workers and carers who are providing vital services under extreme stress.

In this difficult context, it is easy to forget that only a few weeks ago the equity markets were making daily record highs and the greatest fear was that of missing out. This has quickly been replaced by the fear of not making it through, of illiquidity and of insolvency. We have all been harshly reminded of importance of redundancy and resilience. Time horizons that were being pushed out into the far and distant future have collapsed to the here and now.

Nevertheless, we remain resolute in our belief that the key to successful investing is a long-term time horizon, and that it is at times like these that the seeds for future success are sown. To our minds, a long-term time horizon is not about looking ever further into the future to justify ever higher valuations. It is about seeing temporary problems for what they are, and suffering through the anxiety and uncertainty required to get to the other side, and the rewards that this brings.

While the impact of Coronavirus will no doubt have long term ramifications for society and some businesses, we suspect they will prove fleeting for many, if not most of the companies we invest in or consider investable. People will continue to buy Dove soap from Unilever, they will drink Nestle's Nespresso in the day and Diageo's Johnnie Walker in the evening, all while listening to their favourite Universal Music Group artists. They will take Reckitt Benkiser's Nurofen in the morning to alleviate their sore head, as they head out on their way to work.

**Dividends**

Over the last couple of years we have been steadily improving the business quality of your portfolio while maintaining its premium income generating characteristics. This means that while we are not immune to the large number of dividend cuts taking place across the globe today, we believe we are relatively well placed and do expect to maintain a healthy yield premium to the market. Indeed, we believe the bulk of the portfolio is characterised by highly resilient cashflows and the greatest risk to your dividend income is from societal pressure as opposed to an inability to pay. For example, both Svenska Handelsbanken and BAE have recession resistant business models and robust balance sheets, but have been forced to defer their dividends at the behest of their governments and regulators. We expect these payments to bounce back quickly once people start to return to work, as they are easily affordable. While it is not beyond the realms of possibility that the many of the other non cyclical businesses we own like Unilever, Phillip Morris and Sanofi cut or defer their dividends, we think it unlikely.

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

The fund paid its interim dividend in early April with the proceeds of the income received in the preceding 6 months, before any impact from Coronavirus had been felt. On this basis it was possible to maintain a payment in line with last year.

**New investments**

This process of improving quality has accelerated during the first quarter of 2020 as a number of the businesses on our wish list have become available at steeply discounted prices. Should current levels of volatility continue we would expect the heightened level of portfolio activity to continue. The four new entrants added during the quarter are from a diverse range of industries but there are some unifying themes:

- High returns on invested capital demonstrated over many years;
- Dominant market shares;
- Unique and impossible to replicate market positions;
- Strong balance sheets;
- Attractive valuations and dividend yields.

**Diageo**

The global spirits industry is secularly attractive growing volumes a couple of % p/a, but with a sustained and powerful trend towards premium products. As opposed to many other fast moving consumer goods, there is no threat from private label, and trends like craft gin appear to grow the category (for example Diageo's gin franchise grew 22% in FY19), with new entrants tending to be premium priced. The scotch market, which represents 25% of Diageo's sales, has particularly high barriers to entry given the level of capital investment required to age whiskey. Diageo is dominant in this market with 40% value share vs 21% for its nearest rival Pernod, largely due to the scale of Johnnie Walker.

As with Nestle and Unilever, Diageo is more than just a portfolio of wonderful brands, but a global distributing and marketing platform that is almost impossible to replicate. Geographical and category breadth and depth is unrivalled. This scale advantage means that Diageo can reach more customers, with more products, at a lower unit cost than anyone else.

Diageo epitomises what we mean by quality, and yet it fell sharply in March based on concerns regarding the loss of on-trade (out of home) and duty free sales which constitute approximately 30% of revenue. This will certainly create a lot of near term volatility in earnings, but we believe it is one of the safer bets that people will be enjoying Diageo's products a year or two from now, just as much as they were pre the Coronavirus. Indeed, during the credit crisis Diageo's reported sterling EBITA increased slightly as minor cyclical weakness was offset by the strength of its dollar earnings (North America represents approx. 45% of earnings).



VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

It is important to remember that the loss of one year of earnings makes <5% difference to the intrinsic value of a long duration business like Diageo. However, mark to market volatility can be much greater, as it was for Diageo in March. Happily this allowed us to make an initial investment at an estimated 15% IRR.

**Vivendi**

Vivendi is a French media conglomerate controlled by the Bolloré family, which has undergone a drastic transformation under their stewardship. The company has shed the majority of its assorted telecommunication assets, drastically reduced the size of its balance sheet, and today most of the value of the business comes from Universal Music Group (UMG), the largest record label in World with approx. 35% market share. We believe this is a highly attractive asset with a long run way for growth, and we aren't the only ones to recognise it, with Tencent recently buying a 10% stake in UMG for E3bn (implying it is worth E30bn+). Intriguingly, Vivendi's market value is E23bn as of writing, and therein lies a riddle.

First let us address why UMG is an attractive business. Music was in many ways the first casualty of the digital disruption that is now ripping through so many industries. Recorded music revenues fell precipitously, caught in a pincer movement between the ease of digital piracy over the internet, and iTunes which broke apart the album bundle and sold individual tracks for 99c. Through this difficult period, Universal and to a lesser extent Sony and Warner consolidated the recorded music market, ultimately reaching 85% combined market share.

With revenues continuing to fall the record labels eventually realised that they needed to offer a more compelling value proposition than piracy. Spotify provided the solution, offering the consumer unlimited access to all of the music ever recorded, on demand, for \$9.99 per month, or free if you were willing to listen to advertising. Today we believe streaming is a little over 50% penetrated in the developed markets, but only just getting going in the emerging markets. Importantly, we believe there is a lot of latent pricing power as many consumers remain on introductory or teaser rates and even at \$9.99 per month it feels like the consumer is getting a bargain.

Importantly, we believe the labels have a stranglehold on the music value chain and will maintain or even improve their participation in the growing profit pool we envisage. Because 64% of consumption is back catalogue, and because the major labels own the copyrights for this back catalogue, streaming platforms like Spotify, Apple and Amazon have limited bargaining power. If you want a viable streaming product you must have UMG's catalogue. Equally, identifying future stars is difficult. The process resembles venture capital insofar as the majority of new artists are unsuccessful and only a handful make it big, but typically long after they have signed a six album deal with a label.

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

So given the future looks bright for music, and we have an indication of value from the price Tencent were willing to pay for a 10% stake, why is the market valuing Vivendi below its constituent parts? The answer is a deep distrust of Vincent Bollore and how he might allocate capital. While his presence on the shareholder register and on the Board undoubtedly creates some uncertainty, we find it somewhat ironic given his impeccable 30 year track record running the Bollore Group and also the direction Vivendi has taken since his involvement. We suspect this involvement will continue to generate value for shareholders as it has done in the past. We made our initial investment in January with an estimated 16% IRR and added to the position at lower levels in March.

**Cisco**

Cisco is far and away the largest computer networking equipment, software and services vendor globally, multiple times larger than its nearest rivals. To illustrate, Cisco has 800,000 customers, 50m installed networks, approx 75,000 employees, and \$24.5bn revenue outside of the US. By comparison, perhaps Cisco's most celebrated and successful point vendor competitor has 6,000 customers, 2,300 employees and \$600m of revenue ex US. Cisco spent the 90s and the 00s networking the World and then upgrading the capacity of these networks as data requirements exploded. This changed in the last decade as bandwidth requirements were more than met on corporate networks and customers sweated their estate. Growth slowed to a crawl and the market fell out of love with Cisco.

However, the critical importance of corporate networks to doing business and "keeping the lights on" remains. IT research firm Gartner tell us that 32% of surveyed customers estimate that a one-hour data centre network outage costs more than \$1 million, and 83% said it was more than \$100,000. This means that customers rely on their networking vendor to provide highly reliable and stable solutions with rapid response customer service when problems occur. This service needs to be available wherever in the World a piece of kit is deployed. With this in mind, we believe Cisco's secret sauce is a massive global support organization that includes more than 10,000 engineers across 12 locations that handle more than 10 million cases per year. By way of example, Cisco offers four-hour hardware replacement in more than 120 countries.

After a period of stagnation, the demands placed on corporate networks are again rising rapidly. In a typical office consider the number of devices connecting to the corporate network (computers, tablets and phones but also access control, security cameras, video conferencing connections), the different security requirements and the different service requirements. Consider the multitude of locations in which corporate information is stored and the multiple locations from which it is accessed. Now consider the increasing networking requirements of an airport, a hotel, a warehouse, a factory, a McDonald's restaurant.

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

In response to the rising and increasingly complex demands on their networks, corporations are looking for the automation and programmability that the cutting edge cloud vendors like Amazon have in their data centres, but across the entire estate: from their wired and wireless office and factory locations (what Cisco calls 'campus'), across their security infrastructure and communications systems and out into their public and private data centres. The problem is that the average multinational network has 30-40k switching devices set up in a unique configuration to serve the highly idiosyncratic needs of its business. These devices often have proprietary software that means they won't talk to each other, preventing the kind of simplification and automation that customers desire.

The only network vendor that has the capability to supply all parts of a network and tie them together with software is Cisco, and they have a huge head start by virtue of their massive installed base of equipment. We estimate that Cisco's wired campus estate extends to 900m devices and approaching 70% market share in the OECD. It is hard for new vendors to break in as campus switches tend to be replaced gradually over time. Buyer's want compatibility with existing estate, and all of the service that is required for a critical piece of infrastructure that just needs to work.

In response to customer needs for greater levels of automation in their networks, Cisco has upgraded its portfolio and is now selling these products with additional software elements on a subscription basis. We believe this is driving an accelerated replacement rate and increasing the lifetime value of network deployments. Given the size of the installed base, we expect this modernisation process to underpin revenue for many years to come.

Cisco is perceived to be a cyclical bell weather, despite a demonstrated ability to deliver high levels of profitability and cash flow through the cycle (not to mention \$10bn of net cash on the balance sheet). Nevertheless, the concern that customers will delay investment plans in response to an uncertain environment has resulted in meaningful weakness in the Cisco share price and the opportunity to invest on an estimated 14% prospective IRR and a trailing 8% free cashflow yield.

**Ferguson**

In our Q419 note we discussed the attractions of MSC Industrial, a distributor of metal working equipment that dominates its niche in North America. As part of our work on MSC we had closely studied and admired Ferguson, the largest distributor of plumbing and heating equipment globally. Ferguson makes 80% of its revenue and almost all of its profits in North America, despite being listed in the UK. As with MSC, Ferguson holds dominant market share positions in its markets, enabling it to offer a level of service at a price point that competitor's, who are typically much smaller, cannot match. This allows it to consistently grow organic revenue twice as fast as its end markets, while buying up mom and pop competitors at attractive multiples. As with MSC, we would define it as anti-fragile in so far as its moat extends during recessionary periods as smaller, less profitable and less well financed competitors withdraw from the market (and also become cheaper to buy!).

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

To illustrate the difficulty of replicating Ferguson's competitive advantage consider that almost 60% of revenue is won as part of a tender conducted in partnership with a building contractor, working closely to put together a compelling pitch to the end customer (maybe a hospital, or an office building refit, or a sports stadium). These tenders are complex, often involving many hundreds of products, keenly priced, supplied on a precise timeline with often daily deliveries taking place over many months. Dominant scale means, on average, closer proximity to the job site and therefore more favourable logistics costs, more resources available at lower unit costs, broader and deeper availability of inventory and better purchasing terms with suppliers.

Ferguson has 17% market share in the US and the market remains fragmented, offering a long runway for growth through share gains. Underpinning this, the market for plumbing is enduring and grows at GDP like levels through time. However, Ferguson is cyclical. While the North American business generates 60% of its revenue from RMI (Repair, Maintenance and Improvement) and 8% from infrastructure it is nevertheless sensitive to construction end markets. When studying Ferguson last year we had concluded that its construction and repair end markets were not particularly over extended but were slightly above 'mid cycle.' We felt the share price did not adequately reflect the inherent cyclical nature in the business and so added the name to our wish list and hoped for a better price in the future.

We got that chance sooner than expected as the stock fell from £76 in mid February to a low £41 in March, a price at which we felt it was already reflecting a very severe and sustained contraction at a level similar to the GFC. Unlike the GFC however, this recession is not being caused by overheated property markets and over building, and so we believe the bust is unlikely to be as deep or for as long. Unlike many cyclical businesses we expect Ferguson to generate prodigious amount of cash at the bottom of the cycle (and MSC is similar in this regard). The fixed cost base of the business is predominantly labour which can be adjusted to the environment, but more importantly Ferguson has a working capital laden balance sheet that will generate cash as accounts receivable are collected and inventory is reduced. Incredibly, distribution businesses typically generate their highest levels of cashflow at the bottom of the cycle and this, in combination with a limited amount of net debt, gives us comfort that Ferguson can weather the current storm and extend its advantage vs its less well positioned peers.

The extent and duration of the down cycle remains uncertain making forecasting inexact. However, we estimate that a recovery to mid cycle levels of construction on a five year view should deliver upwards of a mid teens IRR. We note that there is already talk of a multi billion \$ infrastructure recovery bill, which would expedite the recovery in Ferguson's end markets.

**Results summary**

Over the past six months the Veritas Global Equity Income Fund (GBP A) has fallen 17.1% against the MSCI World Index in GBP which has fallen 14.8%

VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT

In a stark contrast to the bullish mood in 2019, risk assets plunged into a bear market in the first quarter of 2020 with the MSCI World Index collapsing 21% in USD terms, suffering the worst calendar quarterly loss since the Global Financial Crisis (-22% in Q4 2008). The bearish sentiments were triggered by anticipation of an acute recession due to the COVID-19 pandemic shutdown as well as the ongoing oil price war. The MSCI China Index fell -10.2% in the first quarter. The Veritas China Fund (USD A) fell -5.5% over the same period. Over the last six months the Veritas China Fund fell 1.3% against the MSCI China index which was up 3.0%.

**Impact of COVID-19**

In previous quarterlies, we have written extensively about the market's ability to move from excessive optimism to acute pessimism. We are again at the stage of utmost pessimism as markets are confronted with a confluence of fears ranging from global recession due to COVID-19 lockdowns, collapsing oil prices and the continuing US/China trade wars.

The COVID-19 is the most severe pandemic since the Spanish Flu of 1918. It is very difficult to predict what lies ahead in the future. However, in the short term, it does look like the draconian measures of lockdown can halt the aggressive spread of the virus, which has overwhelmed healthcare services globally. This will buy time to find ways to contain the outbreak, through beefing up the healthcare capability, finding a cure and ultimately a vaccine. In China, where the lockdown was first implemented in late January, things are starting to look more promising. Whilst there is a chance that the virus can strike again in China, there is a quiet confidence that even if it was to do so, the country is in a better position to cope.

**Gradual improvement in the second quarter**

The prospects for companies that are servicing domestic/local demand are improving for the second quarter – not great but improving! This is exactly what we are observing in the Chinese companies we follow, both in the universe list and the portfolio. There are a number of companies that are now 100% back to work, with others that are 90/95% back. From the bottom-up observation:

- In the construction machinery segment, Sany Heavy (China's largest excavator and crane company) indicated a single digit increase in March versus the -37% decline in the first two months. Jiangsu Hengli Hydraulic (supplier of machinery parts) saw its monthly cylinder production volume accelerating to 15% year on year in March.
- Cement prices are rising, which is a good sign of infrastructure spending rising, eg price rise of Rmb 50/t in Henan on March 30, +Rmb 65/6 in Qinghai on March 26 as well as +Rmb 10/t in Wenzhou and Taizhou.
- Guangzhou and Shenzhen traffic at the end of March is back to 52-62% normalised daily traffic, faster than Beijing at 29% normalised traffic. Hangzhou is seeing one of the fastest recoveries to 70% of normalised traffic.

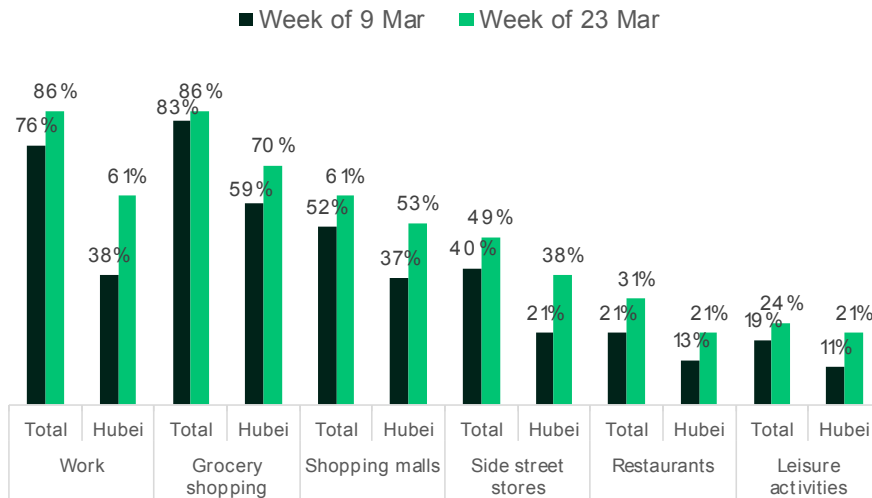
VERITAS CHINA FUND

INVESTMENT MANAGER’S REPORT  
(CONTINUED)

- For logistics, China State Post Bureau expects parcel volume for March to grow 17%, a massive recovery from the negative levels in February.

The gradual recovery of business activities is reinforced by a Morgan Stanley survey which concludes that activities are starting to normalise in China. According to Morgan Stanley Alphawise survey, the going back to work rate is rising steadily to 86% in China and 61% in Hubei. Although some of the activities such as patronising restaurants and leisure activities remained slow, they are on a gradual recovery with restaurants and leisure activities back to 31% and 24% respectively for the whole country.

**Work done out of the home in the past week Hubei v Total**



Source: Alphawise, Morgan Stanley Research

**Investing in spite of COVID-19**

The greater concern for markets right now is what is happening in the US & Europe, and this concern is having a bigger impact on markets than fundamentals of domestic companies. In terms of COVID-19, our base case scenario is now that with strict lock downs things will be improved by the summer from a perspective of the virus itself, however the bigger concern is the knock on effect for specific markets such as corporate credit. If these tighten, this will have a meaningful impact on markets, particularly companies with high debt/leverage and high fixed costs. Central banks globally are now tackling this issue, especially with the announcement of unlimited quantitative easing by the Federal Reserve.

VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

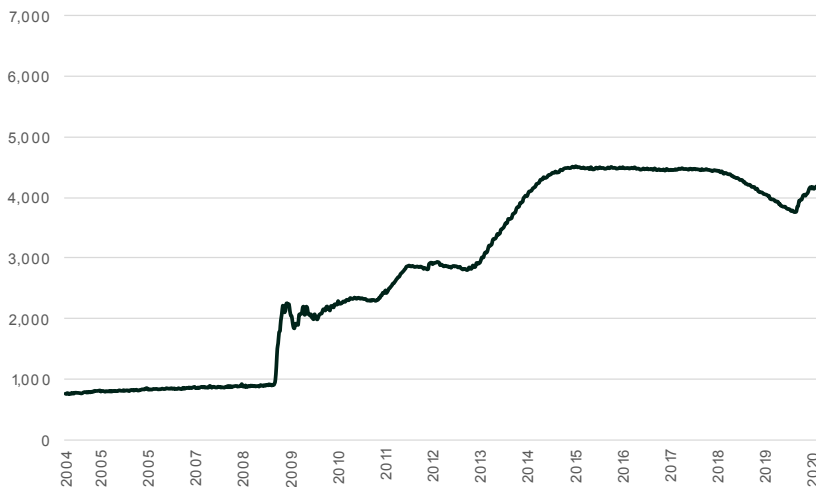
In Asia, we are not unaccustomed to sharp market collapses. Over the past 25 years we have been in the industry, we have witnessed the Asian Financial Crisis (1997-98), the bursting of the dotcom bubble (2000-02), the SARS pandemic (2003) the Global Financial Crisis (2008), the EU crisis (2011) and the Chinese equity market meltdown (2015). Each time, during the depth of the crisis, it is hard to think of any good reasons to be bullish. But each time, somehow “miraculously” the world managed to overcome these crises resulting in the markets recovering and moving into the next upcycle, albeit some crises do take longer to recover from.

From a bottom up perspective there are a lot more opportunities appearing, particularly in China, which leads us to be cautiously optimistic. The reason being that the long term fundamentals of some of the great businesses we follow and invest in have not become broken, rather their short term profitability has become impacted. The movement in share prices suggests otherwise and we do not believe this to be the case.

In our view Asian markets are not expensive at 1.3x Price to Book and forward PE of 11.5x for MSCI Asia ex Japan. Looking out 18/24 months the backdrop from a fiscal, monetary and commodity perspective is looking supportive:

- **Monetary** – the reduction in US rates has left room for rate cuts in Asia, if Asia had cut first the impact on its currencies could have been material leading to accusations of FX manipulation. As the US has cut first Asia can follow. The Fed has injected a colossal USD1.57trillion in the last four weeks, surpassing that USD1.34 trillion for the whole of 2008, the year of the Global Financial Crisis, and this USD1.57 trillion amount is almost twice that of the entire balance sheet of the Federal Reserve since its creation in 1913.

**Federal Reserve Balance Sheet (USD Billions)**



Source: Bloomberg

VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

- **Fiscal** – we have seen huge fiscal pledges made in the West already (EU EUR750 bn, UK GBP330bn, US USD2 trillion, Japan JPY60 trillion). We have not seen anything dramatic in Asia ex Japan as yet, but China had pledged to widen the fiscal deficit and to issue special sovereign bonds which it has only done twice before – once in 1998 to recapitalise state banks after the Asian Financial Crisis in 1998 and again in 2007 to set up the China Investment Corporation (CIC) when funds came from its foreign reserves. The special sovereign debt sales would need the approval from legislature, whose standing committee will meet in April. In the meantime, money is flowing from the Central Government in China to Local Governments. Local Governments are also raising capital in the bond market because the COVID-19 outbreak has highlighted that China needs to spend more on public health (particularly ICU) and on digital infrastructure such as the Cloud and 5G. Past spending on the digital infrastructure has been instrumental in supporting the economy during this crisis, a strengthening and upgrading of the infrastructure will make the economy more robust and vibrant going forward.
- **Commodity** – one consequence of the current situation has been the fall in the Oil price. This is exacerbated by the ugly fracas between Russia and Saudi Arabia. As Asia is a net importer of oil this will be beneficial and help maintain FX reserves, particularly for countries like India which have no natural resources.

So, the outcome of this is that companies will generally have lower input costs and lower cost of capital (not all of them depending on balance sheet and cashflow). At the same time, there are new areas of investments such as public health and digital infrastructure. These are good building blocks for economic growth ONCE the outbreak comes under control.

**Conclusion: Our five themes have been domestically focused**

It is too early to try to speculate what longer term impact this virus outbreak will have on the world economy and what pain and suffering that people need to go through before we have some clarity of what lies ahead of us. However, it is increasingly clear to us that this could be another hit for globalisation. National borders have become more important in pandemic control. Long supply chains have hindered access to essential goods. Recrimination in the aftermath of the pandemic could also lead to further divisions and rivalry in the global community and for some people, this will help to strengthen their case for further disengagement. For us, that means we need to think more domestic more local. Investment opportunities will largely be in domestic economies in Asia

As investors will know the Veritas China Fund has for some time been predominantly domestically focused. Going forward, we will likely be even more focused on domestic companies that service and benefit from local demand. Whilst we are not outright bullish for the short term, there are building blocks in place as outlined above that lead us to be cautiously optimistic and we are holding our nerve.



**VERITAS FUNDS PLC**

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**VERITAS CHINA FUND**

**INVESTMENT MANAGER'S REPORT  
(CONTINUED)**

As the pandemic continue to rage globally, we are keenly aware of the human tragic that is unfolding. our thoughts and prayers are with people who have been badly affected by this pandemic. We believe however that human ingenuity and resilience will once again triumph over adversity and we will be able to defeat this virus and usher in a better world for each one of us.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT

Before our typical discussion, we wanted to acknowledge the serious nature of the Coronavirus pandemic. The impact of the virus is far more wide reaching than its economic damage as it very sadly has a tangible human cost. Our thoughts are with those who are suffering or who have lost loved ones to this virus and with the many who are working hard to treat and care for the growing numbers of patients of this disease.

**A Black Swan Event**

Over the past few years, our analysis has indicated that equities as a whole have been somewhat expensive, driven to such valuations by monetary and fiscal policy makers. As a consequence of this, it had become increasingly difficult to identify quality companies that were available to invest in at levels commensurate with earning an attractive rate of return over the subsequent five years or so. Occasionally, opportunities would present themselves to us either in the form of individual companies facing a short-term issue or due to a wider decline in markets (such as Q4 2018) which then allowed us to deploy capital. However, despite these opportunities cash has remained at relatively elevated levels for much of the recent few years.

The emergence of a global pandemic in Coronavirus has led to a major decline in all equity markets as economic activity has come to a standstill. Many shares have declined 25 – 40% with seemingly little differentiation between companies and sectors as investors have tried to come to terms with the implication for earnings, cash flows and balance sheets. The short term (c.12 month) outcome is at present unknown and unknowable which is one of the reasons the sell off has been so severe – there is nothing investors hate more than uncertainty.

At Veritas, we believe we have one major advantage in times like these: our long-term investment horizon. We have no special insight into how the virus will develop, whether there will be a material “rebound” in those countries where the virus has largely been eliminated or if it will recur in the Autumn / Winter. However, we can make some assumptions that look further out than the near term – looking out to a period when treatment of the virus is more successful (either due to the development of a vaccine or the widespread use of drugs that treat the symptoms of the virus better) and economic activity has returned to something more like normal. This long-term outlook then allows us to identify companies that we believe have been unfairly penalised in the short-term declines: companies with market leading positions, strong balance sheets and frequently essential products or services. In short, enduring companies with strong competitive advantages whose share prices have declined with all other companies in the knee jerk reaction to such an exogenous event.

We have approached investing in these companies using two scenarios: a base case and a more bearish case. The base case assumes that the global trajectory of the virus broadly follows the experience in China and South Korea.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

In these countries, somewhere between 40 and 60 days after lockdowns were imposed, the virus was in retreat with very few new cases. Good contact tracing then led to new cases (and their contacts) being rapidly isolated preventing significant further spread. Under this scenario the first half of 2020 sees limited economic activity due to wide lockdowns being imposed but the second half of 2020 starts to see a recovery, albeit uneven as localised breakouts of the virus lead to further (localised) lockdowns. The more bearish case assumes that the rest of the world do not contain the virus as well as China and South Korea (post lockdown) and consequently the virus remains circulating in the population for much longer, leading to longer (but more ineffective) lockdowns. In this scenario the second half of 2020 also sees limited economic activity with a slower recovery expected in 2021 (again with the expectation that the virus resurfaces during 2021). In either scenario, policy makers use all the tools available to them to accelerate any recovery once it begins.

Having developed our two scenarios, we then mined our list of quality companies for those we believe are likely to be least impacted in the medium to longer term. These are typically those in more stable industries and / or where the structural demand for their product or service is likely to remain strong over the medium term. We then set a range of entry prices for these companies with initial entry points (for smaller positions) set using our base case and scaling the position size up at lower and lower entry points until we would have a full position at our more bearish scenario.

Following this process has led to cash declining substantially over the last 2 weeks of the quarter as we have managed to find attractive investments in quality companies at prices between our base case and our bear case. It may be that these share prices decline further from the prices that we invested but we feel confident looking out over a five year horizon that the returns from these investments will be attractive.

The companies we have made new investments in include Mastercard, Cochlear, Becton Dickinson, Abbott Laboratories and Alibaba. In addition to these new investments, we have also increased our investment in a number of existing holdings where the share price declines have been outsized compared with our analysis of the long-term earnings prospects of those businesses and therefore believe that the current share price is giving us an opportunity to earn an outsized return.

**Mastercard**

We have long believed that the card networks are the among the best business models in the world. Along with Visa, Mastercard operates in a powerful global duopoly and is the prime beneficiary of strong continued structural growth in global payments, thanks to cash moving to cards and electronic payments. It has a very attractive business model thanks to high barriers to entry; strong operating leverage; low capital intensity and a strong financial position. Furthermore, Mastercard carries no credit risk and has pricing power because the bulk of its revenues stem from network fees that are just a small part of the overall cost of processing payments for merchants.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Card networks are scarce but essential for the criss-crossing of card and electronic payments and, being the rails that are critical for these payments, Mastercard has solid and resilient prospects for many years to come. Secular growth is underwritten thanks to a large and growing addressable market, where card penetration is still under 50%, even for consumer payments for goods and services. Strong growth in e-commerce is driving penetration faster still. Being right at the centre of the payment infrastructure means that the card schemes, such as Mastercard, are the prime beneficiaries of these positive secular trends. By way of example, PayPal is the leading e-commerce payment operator but does not own any actual bilateral payment infrastructure and therefore must pay Mastercard a toll to run payments across the Mastercard network.

Although we believe the long-term future of Mastercard is secure, the company is facing near-term headwinds, thanks to the negative impact of COVID-19 lockdowns on spending volumes. In light of this, Mastercard has abandoned its earnings guidance for 2020. However, Mastercard has proved highly resilient in the past and we believe long-term secular support continues. Back in the GFC, Mastercard still managed to grow revenues even with declines in both US consumer spending and retail sales, as well as a stalling of growth in cross-border payments. This was because card payments displaced cash and Mastercard also raised network fees. Growing e-commerce is just making Mastercard more durable. Furthermore, Mastercard has operational flexibility and during the last crisis was able to reduce costs, increase its margin and continue to compound earnings strongly – and we believe Mastercard is good for its pledge to ramp up cost savings now.

We believe the recent decline in the share price of Mastercard started to discount woeful expectations for growth and we took the opportunity to exploit this. Based on highly stressed assumptions for the near term - we believe we secured an expected IRR of +15%. Despite the near-term headwinds, we expect continued structural tailwinds. In the meanwhile, the financial position of Mastercard is pristine with little debt and strong cash generation.

**Cochlear**

We have long appreciated that Cochlear is a high quality company, being the market developer and leader in a growth market, with very high barriers to entry and pricing power, and earning a five year average ROIC of 25% (2015-2019). Cochlear Limited is the market leading manufacturer of inner ear (or cochlea) implants, which convey an electrical representation of sound to the brain of those with profound deafness. It is a life-altering treatment, offering a place in the hearing world to those born deaf or those who have lost their hearing through age, illness or injury. There is no medical alternative for the profoundly deaf.

Cochlear is a company we know well, having owned shares in the past, selling only as we felt the valuation had become too stretched. The company has remained closely followed on our Universe list in the hope that we would have an opportunity to reinvest at an attractive valuation. The impacts of the global coronavirus pandemic on elective medical procedures, coupled with a simultaneous unexpected patent litigation case loss in the US have given us this opportunity at an attractive IRR (>15%) in a company that for so long has been very highly valued.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Whilst developed countries have embraced this technology for infants and children with hearing loss, penetration of cochlear implants remains very low in emerging markets as health systems begin to adopt reimbursement systems to allow children access to this technology. Another major opportunity remains in the adult market, where global penetration of cochlear implants remains very low, despite adequate reimbursement in major markets.

However, awareness of the technology is growing, as is an understanding life expectancy is increasing and thus coping with hearing loss may otherwise be a multi-decade battle. Further, the correlation between hearing loss and onset of dementia is also generating much research interest and may in time expand access and awareness of cochlear implants.

**Abbott Laboratories**

Abbott Laboratories is a global healthcare products company with leading positions across diagnostics, nutrition, cardiovascular devices, diabetes care and established pharmaceuticals with sales of \$32bn in 2019. These franchises benefit from Abbott's trusted brand, intellectual property, strong customer relationships and Abbott's global scale. Abbott is also well diversified by geography with a presence in more than 160 countries. 40% of sales are derived from a variety of emerging markets positioning Abbott to benefit from more rapidly growing demand for healthcare in these markets.

Despite Abbott's size and diversity, we believe the company can deliver high single digit organic sales growth in the coming years driven by several nascent but potentially significant markets where Abbott is amongst the leaders. We see the largest opportunity in continuous glucose monitoring (CGM) replacing traditional finger prick testing to become the standard of care for insulin using diabetics. Since launch in 2014 Abbott's Freestyle Libre has quickly grown to become the market leading CGM thanks to ease of use and a disruptive price point - approximately half that of competitive systems. Given Abbott's fully automated, scale manufacturing it is unlikely any of their peers will be able to match their pricing over the next four to five years and Abbott's cost position will continue to improve with scale. There are 425m diabetics globally today and their numbers are expected to swell to 629m by 2045 according to the international diabetes federation. Almost 2 million patients used Libre in 2019, around 2/3rds of all CGM users, generating sales of \$1.8bn. Abbott's initial target is the c.40m insulin using diabetics in the 50 markets Libre is approved. If long run CGM penetration of insulin using diabetics reaches 75%, Libre price falls to c.\$800 per year from \$1,100 currently and Abbott can capture 1/3rd of the market Libre sales could reach \$8bn at high profitability.

There undoubtedly will be some disruption to Abbott's business in the short term as a result of COVID-19 likely reducing the demand for certain medical procedures and diagnostic tests but with its diverse collection of highly cash generative businesses and strong balance sheet Abbott will be able to manage through these headwinds.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Cardiovascular procedures can only be delayed for a short time and Abbott may even benefit in the long run from increased levels of diagnostic testing. At our entry price the shares were valued at a 4.2% free cash flow yield and we estimate a c.15% IRR over our investment horizon.

**Alibaba**

Alibaba is China's largest technology company and is most analogous to Amazon in terms of business model. It currently has a 65% market share in the structurally growing Chinese e-commerce market (28% compound annual growth over the past 5 years) where it generates high returns (70% operating margins) but which we believe have room for further improvement. The company is also reinvesting into other areas where there could be significant value creation: AliCloud is the largest Chinese public cloud provider; Lazada, a leading player in the nascent South East Asia online retail markets; and, its large minority stake in Ant Financial, which is a significant financial services business (including payments platform Alipay).

The opportunity to invest has been driven by a year of external issues for Alibaba. Firstly, there was pressure from US/China trade tensions and latterly the COVID-19 outbreak in Hubei province. We have no differentiated insight into the success or failure of Chinese policies to stem the COVID pandemic. However, we believe Alibaba's competitive position and demand should improve through the crisis for two reasons: firstly, the crisis has spurred an increase in online demand for areas that are relatively underpenetrated in China (73% of the food retail remained in wet markets in 2016); and secondly, Alibaba has used its financial strength to maintain investments and provide support, including waiving some fees, to retailers during the stress where others have not been able to. Overall, Alibaba continues to have a strong core franchise in structurally growing markets and leading positions in a number of nascent opportunities which should generate value over time. The recent exogenous factors have allowed us to initiate a position at a prospective 20% five year IRR which appears compelling given the competitive position and growth opportunities of the company.

**Becton Dickinson**

Becton Dickinson (BD) is a global provider of essential medical products used by healthcare providers on a daily basis, touching an estimated 90% of patients entering the healthcare system. Their products span the continuum of care from discovery and diagnosis, to the process of care and treatment of disease. Thanks to their unrivalled manufacturing scale BD are the low-cost producer of disposable medical devices such as syringes, needles, flush sets, intravenous catheters, blood collection sets and other related accessories. BD manufacture over 40 billion disposable medical devices a year and are the largest moulder of plastic parts in the world. These high-quality disposable devices also benefit from differentiated features like needle stick injury prevention. BD also enjoy a large and growing installed base of diagnostic instruments and medical equipment that generate recurring consumable revenue. They are increasingly incorporating digitally enabled services to provide additional value to their hospital customers and further entrench their position. All told, around 85% of BD's revenues are recurring in nature.

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

In addition to COVID-19 related market weakness BD's share price has been impacted by the recall of their Alaris infusion pump announced with their first quarter results. BD will be unable to sell the Alaris pump in the US until they complete a new regulatory filing incorporating a number of changes made to the Alaris software to correct for several errors. While it may take a year or more to return Alaris to market we see this issue as resolvable and expect BD to only experience modest infusion pump share loss. They are dominant market leader in the US, with a market share of around 70%. The typical pump replacement cycle is about 7 years and BD should be able to persuade a large portion of their customers due to upgrade to wait for Alaris to return to the market given their dominant position and the need for nurses and other users to retrain if the hospital were to buy pumps from a different manufacturer.

Like all other companies BD will be impacted by COVID-19 but given the essential nature of their products we don't expect any impact on long term demand. We see a path for BD to return to mid-single digit sales growth driven by continued product innovation, expansion into adjacencies and increased penetration of their products in emerging markets. With modest margin expansion and the benefits of capital deployment BD should be able to compound earnings, free cashflow and dividends at a double-digit rate. At our entry price the shares offered an estimated 15% IRR over our investment horizon and were valued at a 5% free cash flow yield.

**Longer term perspective**

While it is understandable for investors to feel nervous in these extraordinary times, history shows that at some point, economics and markets recover. For investors, the "known, unknown" at this point is how long the pandemic will last and what the short and long term economic impact will be. Despite the pandemic induced decline in global equity markets, long term returns are still reasonable – the Veritas Global Real Return Fund (GBP A Class) has generated a cumulative return of 48.2% over the past five years, ahead of our target of OECD G7 CPI + 4% p.a. (31.6%). Over the last six months the Fund has declined by 3.7% compared to the OECD G7 CPI + 4% p.a. which returned 2.4%.

VERITAS IZOARD FUND

INVESTMENT MANAGER'S REPORT

Before our typical discussion, we wanted to acknowledge the serious nature of the Coronavirus pandemic. The impact of the virus is far more wide reaching than its economic damage as it very sadly has a tangible human cost. Our thoughts are with those who are suffering or who have lost loved ones to this virus and with the many who are working hard to treat and care for the growing numbers of patients of this disease.

**A Black Swan Event**

Over the past few years, our analysis has indicated that equities as a whole have been somewhat expensive, driven to such valuations by monetary and fiscal policy makers. As a consequence of this, it had become increasingly difficult to identify quality companies that were available to invest in at levels commensurate with earning an attractive rate of return over the subsequent 5 years or so. Occasionally, opportunities would present themselves to us either in the form of individual companies facing a short-term issue or due to a wider decline in markets (such as Q4 2018) which then allowed us to deploy capital. However, despite these opportunities cash has remained at relatively elevated levels for much of the recent few years.

The emergence of a global pandemic in Coronavirus has led to a major decline in all equity markets as economic activity has come to a standstill. Many shares have declined 25 – 40% with seemingly little differentiation between companies and sectors as investors have tried to come to terms with the implication for earnings, cash flows and balance sheets. The short term (c.12 month) outcome is at present unknown and unknowable which is one of the reasons the sell off has been so severe – there is nothing investors hate more than uncertainty.

At Veritas, we believe we have one major advantage in times like these: our long-term investment horizon. We have no special insight into how the virus will develop, whether there will be a material “rebound” in those countries where the virus has largely been eliminated or if it will recur in the Autumn / Winter. However, we can make some assumptions that look further out than the near term – looking out to a period when treatment of the virus is more successful (either due to the development of a vaccine or the widespread use of drugs that treat the symptoms of the virus better) and economic activity has returned to something more like normal. This long-term outlook then allows us to identify companies that we believe have been unfairly penalised in the short-term declines: companies with market leading positions, strong balance sheets and frequently essential products or services. In short, enduring companies with strong competitive advantages whose share prices have declined with all other companies in the knee jerk reaction to such an exogenous event.

We have approached investing in these companies using two scenarios: a base case and a more bearish case. The base case assumes that the global trajectory of the virus broadly follows the experience in China and South Korea.



VERITAS IZOARD FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

In these countries, somewhere between 40 and 60 days after lockdowns were imposed, the virus was in retreat with very few new cases. Good contact tracing then led to new cases (and their contacts) being rapidly isolated preventing significant further spread. Under this scenario the first half of 2020 sees limited economic activity due to wide lockdowns being imposed but the second half of 2020 starts to see a recovery, albeit uneven as localised breakouts of the virus lead to further (localised) lockdowns. The more bearish case assumes that the rest of the world do not contain the virus as well as China and South Korea (post lockdown) and consequently the virus remains circulating in the population for much longer, leading to longer (but more ineffective) lockdowns. In this scenario the second half of 2020 also sees limited economic activity with a slower recovery expected in 2021 (again with the expectation that the virus resurfaces during 2021). In either scenario, policy makers use all the tools available to them to accelerate any recovery once it begins.

Having developed our two scenarios, we then mined our list of quality companies for those we believe are likely to be least impacted in the medium to longer term. These are typically those in more stable industries and / or where the structural demand for their product or service is likely to remain strong over the medium term. We then set a range of entry prices for these companies with initial entry points (for smaller positions) set using our base case and scaling the position size up at lower and lower entry points until we would have a full position at our more bearish scenario.

Following this process has led to cash declining substantially over the last two weeks of the quarter as we have managed to find attractive investments in quality companies at prices between our base case and our bear case. It may be that these share prices decline further from the prices that we invested but we feel confident looking out over a five year horizon that the returns from these investments will be attractive.

A company that we have made a new investment in is Mastercard. We have also increased our investment in a number of existing holdings where the share price declines have been outsized compared with our analysis of the long-term earnings prospects of those businesses and therefore believe that the current share price is giving us an opportunity to earn an outsized return.

**Mastercard**

We have long believed that the card networks are the among the best business models in the world. Along with Visa, Mastercard operates in a powerful global duopoly and is the prime beneficiary of strong continued structural growth in global payments, thanks to cash moving to cards and electronic payments. It has a very attractive business model thanks to high barriers to entry; strong operating leverage; low capital intensity and a strong financial position. Furthermore, Mastercard carries no credit risk and has pricing power because the bulk of its revenues stem from network fees that are just a small part of the overall cost of processing payments for merchants.

VERITAS IZOARD FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Card networks are scarce but essential for the criss-crossing of card and electronic payments and, being the rails that are critical for these payments, Mastercard has solid and resilient prospects for many years to come. Secular growth is underwritten thanks to a large and growing addressable market, where card penetration is still under 50%, even for consumer payments for goods and services. Strong growth in e-commerce is driving penetration faster still. Being right at the centre of the payment infrastructure means that the card schemes, such as Mastercard, are the prime beneficiaries of these positive secular trends. By way of example, PayPal is the leading e-commerce payment operator but does not own any actual bilateral payment infrastructure and therefore must pay Mastercard a toll to run payments across the Mastercard network.

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We believe the recent decline in the share price of Mastercard started to discount woeful expectations for growth and we took the opportunity to exploit this. Based on highly stressed assumptions for the near term - we believe we secured an expected IRR of +15%. Despite the near-term headwinds, we expect continued structural tailwinds. In the meanwhile, the financial position of Mastercard is pristine with little debt and strong cash generation.

**Longer term perspective**

While it is understandable for investors to feel nervous in these extraordinary times, history shows that at some point, economics and markets recover. For investors, the “known, unknown” at this point is how long the pandemic will last and what the short and long term economic impact will be. In the six months to 31 March the Fund delivered a return of -7.5% (USD C Class) compared against the OECD G7 CPI +8% p.a. inflation return of 4.4%.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT

**Coronavirus thoughts and update**

The human toll, both direct and indirect, of the coronavirus pandemic has been immense. Our thoughts and prayers are with those who have been affected by it and for the front-line caregivers who are courageously fighting this common threat for all of us.

Much has been (and will continue to be) said and written about the pandemic caused by the novel coronavirus (SARS-CoV-2). While we are avid followers of all the news and research coming out from around the world, we only have a few observations worth making. In preview and as a spoiler: we don't believe we have any special insight into how the pandemic unfolds.

As a matter of first principle, equities are 'risk' assets which discount the future – as very long duration instruments, they tend to price in outcomes well into the future (at least 10+ years). In the case of the current pandemic, the market – as it always does – is trying to re-price probabilities and risk, that range between pessimistic and optimistic outcomes.

- On the one hand, there is uncertainty regarding the duration of the recovery period, including an intervening recession and the probability of a second lockdown; liquidity and bankruptcy risk for various companies and industries; as well as changes in consumer spending and behaviour that are more long-lasting. There could indeed be structural changes to global supply chains; higher costs of business in aggregate for building in redundancy measures (a focus on 'resilience' over 'efficiency' in handling future events of this nature); potential widening of the wealth and income inequalities in society (which might mean higher corporate taxation and hence lower net earnings for companies); reluctance for both corporate and personal debt (which could lower aggregate demand); and less propensity for discretionary expenditures, like travel and entertainment; and last but certainly not least, the direction of monetary regimes may change and the health of government balance sheets might come to the fore at some point – all of which affects interest rates, the very basis of the 'risk-free' (or perhaps risky?) long-bond rate.
- On the other hand, it is also important to remember that just as the virus (somewhat) unexpectedly arrived and wreaked havoc, it is plausible that effective testing and treatment protocols might eventually emerge (perhaps sooner than feared); supply chains adapt; new forms of consumption emerge; governments provide effective support to incomes for individuals and some businesses (esp. smaller ones); companies bake in contingencies in their planning; consumer spending eventually returns to pre-crisis levels (including going on that well-deserved holiday or a nice meal with friends) and general preparedness towards pandemics becomes higher than it was at any point in recent memory – and human ingenuity, resolve and progress prevails, as it generally has over the long arc of history.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

A global pandemic could have substantial long-term consequences for businesses (and by extension equity investors). However, we think these are mostly unknowable, and hence, unanalyzable (to any meaningful degree of confidence). It would be futile for us to take a 'top down' forecast on the myriad of variables above that may be affected by the pandemic. It is also worthwhile keeping in mind that it is in the inherent nature of markets to be volatile and it is more important to analyze the price levels of individual companies and assets rather than the price moves in a volatile market. Economic cycles are a permanent fixture of equity investing, though pandemics aren't usually the cause.

We aim to invest in business models that we think have underappreciated duration, and which are resilient enough to withstand the uncertainties and challenges that the aftermath of COVID-19 will bring. Given the disruption caused by the pandemic, we have reviewed liquidity risk for all of our holdings in the event of a prolonged shut-down of the economy (which is worse than what China experienced - the first country to be affected and now the first to begin its recovery). During the recent period of volatility, we initiated (or added to) investments in several areas. In aggregate, we are currently nearly 70% invested across 24 holdings, and were consistently net buyers through the most volatile days and weeks in March and April this year, as we saw more companies in our investable universe being priced at valuations offering a margin of safety.

- In consumer goods, we began buying positions in Starbucks, Nestlé and Pernod Ricard; and added to our position in Becele and Jiangsu Yanghe.
- In internet platforms, we initiated positions in Sea; and added to Alibaba and Facebook.
- In other areas, we initiated investments in Wizz Air, Franco-Nevada and Abbott Laboratories; and added to Corteva, HDFC Bank and TravelSky.

**Commercial aviation**

An area which has been particularly severely affected has been commercial aviation (and associated services and suppliers). Given the importance of this crisis to this sector, we outline some thoughts on our individual investments here. We hold both Tier 1 equipment suppliers (Airbus, Raytheon, Rolls-Royce) and, amid the volatility, we initiated positions in Wizz Air (and added to TravelSky).

We believe the risk posed by COVID-19 is primarily one of severe liquidity challenges. This is an important nuance. Air travel demand has demonstrated enduring resilience through multiple cycles and setbacks (9/11 attacks, SARS, the Global Financial Crisis and the Eurozone crisis for example). In general, we expect our companies (which are heterogeneous businesses with differing models within the sector) to be able to withstand and manage through the crisis. A key assumption that we are underwriting is that air travel is an essential service for which there is no substitute, and that 5 and 10 years from now, commercial aviation will continue to grow secularly ('longevity'). The vast majority of humanity is yet to set foot inside an airplane.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

However, the near-synchronized forced shutdown of global travel is unprecedented. All previous downturns have been either localized, or a slow-down (not a shut-down). It is likely that there could be several industry-wide changes – this could include a focus on balance sheet strength at airlines (impacts airline capacity as this would mean lower cap-ex and lower demand for aircraft), revisiting leased vs. owned aircraft (impacts airframers), revisiting pay by hour vs. time and materials arrangements (engine suppliers), and so on. While we are not expecting a wholesale shift to the business models, it is reasonable to expect several changes at the margin (which will have to be managed through).

Underpinning the quality thesis of our holdings is ‘barriers to enter/compete’ – and if anything, these barriers are being raised by current events. That said, we remain vigilant of developments in this sector given that the sensitivities and ranges of outcomes are now wider than they were before the pandemic.

- **TravelSky** is a software service provider for the Chinese aviation industry (across distribution and reservation software, accounting/settlement services, and passenger on-boarding and inventory control systems) with highly dominant market shares and the unique dynamic of their largest customers (Chinese airlines) also being shareholders. The business model benefits from economies of scale, cost-to-serve advantages and modest network effects, which are difficult for new entrants to overcome. The business model is a virtual ‘toll booth’ on commercial travel in China, which we believe has structural growth potential over the long-term. China is where SARS-CoV-2 originated and there are signs that there is a slow recovery underway (corroborated by reported data from companies, both in China and in the US and Europe, across multiple industries – domestic traffic is recovering first, and we expect international travel will recover with a significant lag given the global case count is still not under control). The balance sheet has significant net cash, and no debt. Even accounting for some delayed payment terms from the airlines, which would adversely affect working capital, as it has in the past, we expect liquidity to be sufficient.
- **Wizz Air** is an ultra-low-cost airline operating in central and eastern European markets. Although the airline industry has been renowned for destroying value through the course of its history, and hence wouldn’t be our usual ‘hunting grounds’ for businesses that we would want to own, we believe that Wizz is different. Our variant perception is premised on a few factors; firstly, thanks to its focused model, Wizz operates one of the lowest-cost, leanest operations in Europe (not to mention one of the ‘cleanest’ in terms of emissions). They have also built up a significant share of routes and city-pairs (between 50-70%) where Wizz have dominant positions, making it uneconomic/irrational for a new entrant to come in, given their already lowest-cost position (a ‘quasi-monopoly’ of sorts) - this is the central feature that differentiates Wizz from traditional airlines. Looking past the current crisis, we believe Wizz has one of the best capitalized and most liquid balance sheets amongst airlines globally, and their cost-advantage is likely to grow as their fleet regeneration matures over the next 5 years, which will solidify their position (and edge) in the industry. In line with a capital cycle framework, smaller and weaker competitors are likely to also retire their capacity from the market, further strengthening Wizz’s position; we have already seen signs of this, with the likes of Flybe, which formally ceased operations last month.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Indeed, the pandemic may prove to be a potential catalyst for the acceleration of consolidation in the European airline industry, which has traditionally been unconcentrated in terms of capacity compared to the USA. Furthermore, Wizz is managed by owner-operators who are aligned with shareholders, so we think that Wizz is well positioned to capture the significant growth in air travel in the region (which is one of the least penetrated globally) via a sustainable low-cost position, the benefits of which are passed on to their passengers.

- **Airbus** had a net cash balance sheet going into the crisis and the company remains well-equipped to withstand current pressures with available liquidity, after having withdrawn the dividend for 2019, suspending top-up pension funding, as well as pursuing cost actions and operational measures where possible. Airbus's commercial aircraft backlog is overwhelmingly in the narrow-body segment (80%+), which has a long order book (and lower risk of cancellations, though some are inevitable). The grounding of their key competitor's aircraft (Boeing's 737Max) should provide more flexibility to reshuffle delivery slots for customers. We also believe that management are doing all of the right things to deal with the crisis at hand, and the further we look out (5 years+), the more favourable their prospects.
- **Raytheon Technologies** (which now includes the aerospace assets of United Technologies) will be a Tier 1 supplier with key positions across a wide variety of aerospace and defense programs, high barriers to entry throughout, and c. 65%+ recurring revenues on a steady-state basis. Pro-forma 2020e net debt/EBITDA is expected to be c2.2x. We think Raytheon continues to be in a position to access liquidity (also because half of their revenues are coming from non-cyclical defense franchises) and the business model is valuable, viable, and resilient over the long-term once we pass this phase of acute stress for global aviation.
- **Rolls-Royce Holdings** key asset is their jet engine franchise for the wide-body aircraft market (with sole-source positions in the A350 program with the XWB engine), with a business model which is built around long-term 'revenue per hour' agreements with airlines. They also benefit from having significant exposure to defense end-markets which are more stable and recurring sources of revenues and cash flows. We believe management are taking the right steps in mitigating the cash burn while their engine fleet remains largely grounded – liquidity is also manageable and accessible.

### **In high spirits**

Amid the recent market volatility, we purchased an initial position in **Pernod Ricard**.

Aged spirits (which constitute nearly 70% of Pernod's revenues) have built-in duration in their business model (as evidenced by their decades long consistency of growth). The products themselves only get better with time: terroir, provenance and age are all sought after qualities – affording a structural premiumization tailwind which is intrinsic to the category (unlike say, soft drinks). The aging process requires both a time commitment and a capital commitment, and therein lies the barrier to entry – it is not a coincidence that Scotch Whisky is a concentrated, oligopolistic market dominated by Diageo and Pernod.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

Given the current market context catalyzed by the pandemic, we envisage the threat from smaller brands to be materially lower, at least in the near term (we are in the weak point of the capital cycle); and private label products have never been a meaningful competitor, given excise taxes are generally on volume rather than value (removing the headroom for private label to price cheaply).

The economics of distribution also favour high value, low weight products, like distilled spirits – which means there is significant export potential and some correlation between distribution densities and economic margins. Seen in this context, Pernod's decision to maintain virtually full control of distribution is not accidental. In fact, the entire industry has steadily taken back control of its distribution over the last decade or so. With over 40% of their revenues from emerging markets (India and China are key markets), which are still very early in their consumption and penetration journeys, the long-term growth outlook is highly supportive.

We also like the presence of the owner-operator Ricard family, who are aligned with us as long-term shareholders – and recent changes to executive compensation metrics suggests more focus on operating margins, free cash flow and buybacks (and reading between the lines, potentially better monetization of the aged inventory value on the balance sheet). While the balance sheet has some leverage, we judge liquidity as sufficient, and supply chains broadly able to cope. Given the evaporation of demand in out-of-home occasions (given the global lockdowns in place), the shares became available at an attractive price for us to start building a position in. Buying companies with genuine duration at a time when sentiment shortens horizons to months and days, is an important part of our process.

In addition to Pernod, we own two companies within global consumer spirits – **Becle** in Mexico (owner of the Jose Cuervo tequila brand) and **Jiangsu Yanghe Brewery** in China (one of the baijiu makers in the mainland):

- **Becle**: our thesis here is idiosyncratic and is tied to a specific microeconomic situation developing in the Mexican agave industry. Becle is owned and operated by the Beckmann family, with a significant share ownership, and their key tequila brand, Jose Cuervo, traces its origins back over two centuries. This 'duration' over truly long timeframes is a feature we observe in consumer spirits assets globally (including in Pernod Ricard above). Strategically, the company has taken back control of distribution and is now moving to nearly fully vertically integrating the agave supply chain (which we think is sensible given the plan to move their offerings to premium price points and capture growth, especially in markets like the USA). The short-term has been difficult however, with dramatic input cost inflation (due to agave prices moving from P6-8/kg to P25-30/kg), which has eaten materially into margins. This short-term earnings dilution (and negative sentiment) gave us an opportunity to purchase the asset – we believe that like most commodities, the cure for high prices is high prices (capital cycle: high prices attract supply which drives down prices). Our analysis suggests that the agave market will be over-supplied in c. 5 years' time, which would mean agave prices would have to collapse (in the previous cycle, agave became so cheap that it became 'less than free'). This means that underlying normalized margins are likely 500-800bps higher than current margins, which, when combined with a structurally attractive and non-cyclical industry (spirits), felt like an attractive investment opportunity for long-term oriented investors like us.

VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

INVESTMENT MANAGER'S REPORT  
(CONTINUED)

- **Jiangsu Yanghe:** Baijiu is deeply woven into Chinese culture and heritage, and dates back as far as the Yuan dynasty; consequently, it has proven duration, similar to the themes highlighted with Pernod, and parallels can be drawn with region-specific spirits that have stood the test of time, such as Sake in Japan, providing us with comfort around the quality of the category over the longer-term. As with spirits in general, premiumization is a key theme, even though per capita consumption of alcohol in China is roughly half the level seen elsewhere (e.g. in South Korea or USA). Yanghe also punches above its weight – despite (until recently) largely only operating in its home province (Jiangsu), it is the only baijiu company with two nationally famous brands. Last but not least, current and previous management teams together own a meaningful amount of shares (having been one of the earlier groups to undergo mixed ownership reform) and seem to think and act like true entrepreneurs – despite having nowhere near the heritage value of peers like Moutai, they built up their brands through a strong distribution presence and marketing to a much younger cohort of consumers. Over time, as their expansion strategy bears fruit, we think significant runway exists for Yanghe to grow through premiumization and market share gains in what is still a very fragmented market. We had a smaller initial position in Yanghe prior to the pandemic as we initiated the position at a time when the company was undergoing some restructuring in its channel which we judged to be transitory issues. However, we added to the position meaningfully amid the recent market volatility, as we think there is underappreciated duration in the asset over the long-term.

It should come as no surprise that our process and philosophy is unchanged, despite the elevated levels of uncertainty prevalent today – we seek businesses that we think are resilient to the ebb and flow of macroeconomic forces, as well as the cut and thrust of competition – and invest when we think these qualities are not fully reflected in share prices. Today, we are most keenly focused on being alert to the opportunity set presented by market volatility, as well as re-underwriting the resilience of our holdings in the hardest hit sectors from a demand perspective, to ensure that we are adequately calibrated to fundamental changes in the companies we have invested in.

Thank you for your trust and we look forward to updating you about our progress in due course.

**Results summary**

Over the past six months the Veritas Third Eye Global Emerging Markets Fund (USD A Acc) has fallen 11.2% against the MSCI Emerging Markets Index in USD which has fallen 14.6%.



**VERITAS FUNDS PLC**

**VERITAS ASIAN FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Australia</b>			
4,000,000	Aristocrat Leisure Ltd.	52,403,703	1.84
450,000	Cochlear Ltd.	51,554,943	1.81
882,459	CSL Ltd.	160,261,097	5.65
11,600,000	Goodman Group	85,907,309	3.02
530,000	REA Group Ltd.	25,073,446	0.88
8,500,000	Transurban Group	62,429,079	2.20
		<b>437,629,577</b>	<b>15.40</b>
<b>China</b>			
13,599,398	Aier Eye Hospital Group Co. Ltd.	75,544,750	2.66
466,667	Alibaba Group Holding Ltd.	11,045,177	0.39
1,043,915	Alibaba Group Holding Ltd. ADR	202,874,441	7.14
21,999,711	Centre Testing International Group Co. Ltd.	47,657,454	1.68
3,805,000	Country Garden Services Holdings Co. Ltd.	15,475,961	0.54
44,578,000	CSPC Pharmaceutical Group Ltd.	89,203,161	3.14
4,999,772	Hangzhou Tigermed Consulting Co. Ltd.	45,182,189	1.59
3,499,820	Jiangsu Hengrui Medicine Co. Ltd.	45,437,620	1.60
1,154,579	Kweichow Moutai Co. Ltd.	180,976,943	6.37
1,451,000	Li Ning Co. Ltd.	4,235,492	0.15
8,800,000	Meituan Dianping	106,297,333	3.74
360,000	New Oriental Education & Technology Group, Inc.	38,964,600	1.37
599,886	Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	22,148,524	0.78
1,450,000	TAL Education Group	77,118,250	2.71
4,300,000	Tencent Holdings Ltd.	210,869,706	7.42
1,999,846	Wuliangye Yibin Co. Ltd.	32,513,509	1.14
2,900,000	Wuxi Biologics Cayman, Inc.	37,583,377	1.32
3,100,000	Yihai International Holding Ltd.	23,457,276	0.83
		<b>1,266,585,763</b>	<b>44.57</b>
<b>Hong Kong</b>			
7,800,000	AIA Group Ltd.	70,619,541	2.47
22,000,000	Alibaba Health Information Technology Ltd.	36,813,789	1.30
23,296,296	China Everbright International Ltd.	13,360,002	0.47
8,000,000	China Gas Holdings Ltd.	27,841,928	0.98
8,500,000	Techtronic Industries Co. Ltd.	54,996,839	1.94
		<b>203,632,099</b>	<b>7.16</b>

**VERITAS FUNDS PLC**

**VERITAS ASIAN FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>India</b>			
2,371,534	Apollo Hospitals Enterprise Ltd.	35,707,220	1.26
7,000,000	Axis Bank Ltd.	35,068,819	1.23
3,352,236	Godrej Consumer Products Ltd.	23,079,752	0.81
1,000,000	HDFC Bank Ltd. ADR	38,455,000	1.35
4,512,400	HDFC Bank Ltd.	51,410,089	1.81
1,150,000	Hindustan Unilever Ltd.	34,940,269	1.23
500,000	IndusInd Bank Ltd.	2,321,839	0.08
2,600,000	Titan Co. Ltd.	32,089,622	1.13
		<b>253,072,610</b>	<b>8.90</b>
<b>Italy</b>			
1,900,000	Prada	5,552,258	0.20
		<b>5,552,258</b>	<b>0.20</b>
<b>Singapore</b>			
1,035,716	Sea Ltd.	45,970,255	1.62
		<b>45,970,255</b>	<b>1.62</b>
<b>South Korea</b>			
4,850,000	Samsung Electronics Co. Ltd.	190,338,645	6.70
		<b>190,338,645</b>	<b>6.70</b>
<b>Taiwan</b>			
19,649,000	Taiwan Semiconductor Manufacturing Co. Ltd.	177,702,875	6.25
		<b>177,702,875</b>	<b>6.25</b>
<b>Thailand</b>			
31,000,000	CP ALL PCL	57,739,773	2.03
		<b>57,739,773</b>	<b>2.03</b>
<b>United States</b>			
1,500,000	ResMed, Inc.	22,699,397	0.80
		<b>22,699,397</b>	<b>0.80</b>
	<b>Total Equities<sup>1</sup></b>	<b>2,660,923,252</b>	<b>93.63</b>

**VERITAS FUNDS PLC**

**VERITAS ASIAN FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
	<b>Total Financial assets at Fair Value through Profit or Loss</b>	<b>2,660,923,252</b>	<b>93.63</b>
	<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>	<b>2,660,923,252</b>	<b>93.63</b>
	<b>Other Net Assets</b>	<b>181,171,735</b>	<b>6.37</b>
	<b>Net assets attributable to Holders of Redeemable Participating Shares</b>	<b>2,842,094,987</b>	<b>100.00</b>
	<b>Analysis of Gross Investments</b>		<b>% of Total Assets</b>
	<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	2,660,923,252	93.63

**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Australia</b>			
567,100	Cochlear Ltd.	64,970,685	2.26
4,222,354	Sonic Healthcare Ltd.	62,824,111	2.18
		<b>127,794,796</b>	<b>4.44</b>
<b>Canada</b>			
476,200	Canadian Pacific Railway Ltd.	104,449,708	3.63
		<b>104,449,708</b>	<b>3.63</b>
<b>China</b>			
367,100	Alibaba Group Holding Ltd. ADR	71,342,214	2.48
		<b>71,342,214</b>	<b>2.48</b>
<b>France</b>			
1,152,154	Airbus SE	75,024,035	2.60
682,124	Safran SA	59,996,620	2.09
		<b>135,020,655</b>	<b>4.69</b>
<b>Hong Kong</b>			
9,421,780	RREEF China Commercial Trust #	-	-
		-	-
<b>Spain</b>			
527,908	Aena SME SA	57,887,075	2.01
		<b>57,887,075</b>	<b>2.01</b>
<b>Sweden</b>			
12,040,600	Svenska Handelsbanken AB	100,394,034	3.49
		<b>100,394,034</b>	<b>3.49</b>
<b>Switzerland</b>			
748,666	Nestle SA	77,021,563	2.68
		<b>77,021,563</b>	<b>2.68</b>

# Unquoted security

**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>United Kingdom</b>			
23,603,586	BAE Systems PLC	152,687,355	5.31
25,281,800	Capita PLC	10,252,420	0.36
1,449,483	Reckitt Benckiser Group PLC	110,524,148	3.84
2,461,891	Unilever NV	120,890,415	4.20
		<b>394,354,338</b>	<b>13.71</b>
<b>United States</b>			
831,400	Abbott Laboratories	65,676,443	2.28
186,272	Alphabet, Inc.	216,444,339	7.52
4,638,550	Altice USA, Inc.	103,439,665	3.60
19	Amazon.com, Inc.	37,010	0.00
1,428,331	Baxter International, Inc.	115,773,369	4.02
283,000	Becton Dickinson & Co.	64,979,630	2.26
560,686	Charter Communications, Inc.	244,624,498	8.51
613,767	Cigna Corp.	108,630,621	3.78
237,532	Cooper Cos, Inc.	65,523,202	2.28
1,488,558	CVS Health Corp.	88,398,017	3.07
848,734	Facebook, Inc.	141,560,344	4.92
1,212,400	Intercontinental Exchange, Inc.	98,016,478	3.41
374,800	Mastercard, Inc.	90,680,986	3.15
1,296,133	Philip Morris International, Inc.	94,559,383	3.29
661,900	Raytheon Co.	86,947,184	3.02
325,573	Thermo Fisher Scientific, Inc.	92,259,249	3.21
413,934	UnitedHealth Group, Inc.	103,195,816	3.59
		<b>1,780,746,234</b>	<b>61.91</b>
	<b>Total Equities<sup>1</sup></b>	<b>2,849,010,617</b>	<b>99.04</b>

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020  
(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts</b>							
NOK	13,795,131	USD	1,239,519	HSBC	06/04/2020	77,056	0.01
NOK	4,525,832	USD	398,381	HSBC	06/04/2020	33,553	–
NOK	8,386,924	USD	776,545	HSBC	06/04/2020	23,883	–
USD	198,470	NOK	1,910,811	HSBC	06/04/2020	16,107	–
USD	135,721	NOK	1,256,743	HSBC	06/04/2020	15,781	–
USD	160,047	NOK	1,529,250	HSBC	06/04/2020	14,099	–
NOK	1,099,936	USD	93,486	HSBC	06/04/2020	11,489	–
NOK	2,122,761	EUR	176,417	HSBC	06/04/2020	9,412	–
USD	257,386	NOK	2,618,167	HSBC	06/04/2020	7,515	–
USD	171,079	NOK	1,730,771	HSBC	06/04/2020	5,899	–
USD	50,623	NOK	469,462	HSBC	06/04/2020	5,819	–
NOK	814,174	EUR	66,729	HSBC	06/04/2020	4,633	–
NOK	839,155	SEK	765,466	HSBC	06/04/2020	4,506	–
NOK	521,739	EUR	41,455	HSBC	06/04/2020	4,399	–
NOK	621,722	CHF	54,709	HSBC	06/04/2020	2,671	–
NOK	2,136,788	GBP	162,857	HSBC	06/04/2020	2,630	–
EUR	54,257	NOK	595,018	HSBC	06/04/2020	2,625	–
EUR	25,031	NOK	262,781	HSBC	06/04/2020	2,330	–
NOK	918,132	EUR	78,329	HSBC	06/04/2020	1,852	–
NOK	550,557	AUD	83,458	HSBC	06/04/2020	1,705	–
GBP	17,915	NOK	215,096	HSBC	06/04/2020	1,616	–
EUR	28,450	NOK	310,347	HSBC	06/04/2020	1,535	–
GBP	17,936	NOK	216,318	HSBC	06/04/2020	1,525	–
GBP	36,122	NOK	453,207	HSBC	06/04/2020	1,395	–
NOK	230,221	EUR	18,856	HSBC	06/04/2020	1,324	–
NOK	632,250	AUD	97,043	HSBC	06/04/2020	1,226	–
EUR	11,477	NOK	119,339	HSBC	06/04/2020	1,178	–
NOK	135,659	SEK	119,337	HSBC	06/04/2020	1,164	–
GBP	34,182	NOK	431,106	HSBC	06/04/2020	1,107	–
NOK	177,443	CHF	15,364	HSBC	06/04/2020	1,021	–
NOK	137,296	SEK	124,046	HSBC	06/04/2020	855	–
GBP	15,774	NOK	195,797	HSBC	06/04/2020	812	–
NOK	286,529	SEK	268,802	HSBC	06/04/2020	805	–
NOK	283,653	AUD	43,125	HSBC	06/04/2020	801	–
NOK	461,446	GBP	35,196	HSBC	06/04/2020	535	–
EUR	60,905	NOK	693,248	HSBC	06/04/2020	530	–
NOK	85,071	CHF	7,341	HSBC	06/04/2020	516	–
CHF	7,883	NOK	81,490	HSBC	06/04/2020	387	–
CHF	4,279	NOK	42,445	HSBC	06/04/2020	381	–
NOK	62,500	GBP	4,527	HSBC	06/04/2020	370	–

**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
NOK	64,248	SEK	58,575	HSBC	06/04/2020	348	–
NOK	184,150	CHF	16,688	HSBC	06/04/2020	290	–
NOK	240,079	SEK	229,139	HSBC	06/04/2020	288	–
NOK	346,298	EUR	29,920	HSBC	06/04/2020	287	–
SEK	56,328	NOK	55,363	HSBC	06/04/2020	278	–
NOK	829,098	AUD	129,454	HSBC	06/04/2020	270	–
SEK	144,958	NOK	147,616	HSBC	06/04/2020	225	–
CHF	2,158	NOK	21,128	HSBC	06/04/2020	219	–
CHF	4,115	NOK	42,380	HSBC	06/04/2020	217	–
NOK	227,005	AUD	35,244	HSBC	06/04/2020	196	–
SEK	102,895	NOK	104,444	HSBC	06/04/2020	192	–
GBP	16,253	NOK	208,483	HSBC	06/04/2020	192	–
NOK	146,502	SEK	139,774	HSBC	06/04/2020	181	–
NOK	18,589	CHF	1,558	HSBC	06/04/2020	161	–
SEK	36,751	NOK	36,426	HSBC	06/04/2020	152	–
NOK	111,340	GBP	8,475	HSBC	06/04/2020	150	–
NOK	100,841	GBP	7,683	HSBC	06/04/2020	127	–
NOK	18,918	CHF	1,645	HSBC	06/04/2020	102	–
CHF	9,271	NOK	99,755	HSBC	06/04/2020	82	–
AUD	11,886	NOK	75,057	HSBC	06/04/2020	77	–
NOK	44,403	CHF	4,027	HSBC	06/04/2020	67	–
NOK	1,102,099	EUR	95,998	HSBC	06/04/2020	62	–
AUD	8,740	NOK	55,301	HSBC	06/04/2020	46	–
NOK	259,483	GBP	19,999	HSBC	06/04/2020	45	–
AUD	3,250	NOK	20,452	HSBC	06/04/2020	28	–
NOK	28,308	CHF	2,586	HSBC	06/04/2020	23	–
NOK	97,840	EUR	8,520	HSBC	06/04/2020	8	–
NOK	165,112	GBP	12,743	HSBC	06/04/2020	6	–
NOK	106,079	CHF	9,788	HSBC	06/04/2020	(14)	–
NOK	379,441	AUD	59,479	HSBC	06/04/2020	(19)	–
AUD	3,368	NOK	22,080	HSBC	06/04/2020	(56)	–
NOK	140,336	CHF	12,994	HSBC	06/04/2020	(65)	–
NOK	34,874	AUD	5,590	HSBC	06/04/2020	(77)	–
NOK	41,689	CHF	3,924	HSBC	06/04/2020	(86)	–
NOK	39,445	AUD	6,325	HSBC	06/04/2020	(88)	–
NOK	24,192	AUD	3,955	HSBC	06/04/2020	(100)	–
NOK	21,440	CHF	2,083	HSBC	06/04/2020	(111)	–
CHF	13,883	NOK	151,876	HSBC	06/04/2020	(115)	–
NOK	31,516	AUD	5,130	HSBC	06/04/2020	(117)	–
SEK	21,307	NOK	23,410	HSBC	06/04/2020	(130)	–

**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) USD	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
SEK	64,502	NOK	68,184	HSBC	06/04/2020	(138)	–
AUD	16,844	NOK	109,068	HSBC	06/04/2020	(149)	–
NOK	69,512	SEK	68,777	HSBC	06/04/2020	(157)	–
GBP	6,602	NOK	87,344	HSBC	06/04/2020	(175)	–
NOK	107,301	EUR	9,561	HSBC	06/04/2020	(229)	–
NOK	27,030	CHF	2,782	HSBC	06/04/2020	(302)	–
SEK	158,974	NOK	167,667	HSBC	06/04/2020	(305)	–
NOK	2,952,540	USD	282,094	HSBC	06/04/2020	(310)	–
AUD	16,143	NOK	106,496	HSBC	06/04/2020	(330)	–
NOK	72,681	EUR	6,664	HSBC	06/04/2020	(360)	–
EUR	20,742	NOK	242,355	HSBC	06/04/2020	(417)	–
AUD	10,811	NOK	73,750	HSBC	06/04/2020	(453)	–
NOK	420,960	AUD	66,731	HSBC	06/04/2020	(474)	–
NOK	98,172	SEK	100,021	HSBC	06/04/2020	(507)	–
NOK	60,858	GBP	5,117	HSBC	06/04/2020	(516)	–
NOK	2,467,662	USD	236,025	HSBC	06/04/2020	(517)	–
SEK	201,298	NOK	214,044	HSBC	06/04/2020	(552)	–
EUR	87,849	NOK	1,014,088	HSBC	06/04/2020	(586)	–
NOK	64,309	CHF	6,623	HSBC	06/04/2020	(722)	–
EUR	17,019	NOK	206,390	HSBC	06/04/2020	(1,061)	–
NOK	435,250	GBP	34,503	HSBC	06/04/2020	(1,109)	–
USD	104,438	NOK	1,105,928	HSBC	06/04/2020	(1,110)	–
NOK	940,586	GBP	73,733	HSBC	06/04/2020	(1,371)	–
NOK	179,857	GBP	15,143	HSBC	06/04/2020	(1,552)	–
NOK	1,110,810	USD	107,665	HSBC	06/04/2020	(1,652)	–
NOK	3,996,483	USD	384,435	HSBC	06/04/2020	(3,020)	–
NOK	371,610	EUR	35,896	HSBC	06/04/2020	(3,841)	–
NOK	946,129	AUD	155,032	HSBC	06/04/2020	(4,143)	–
NOK	835,428	USD	86,590	HSBC	06/04/2020	(6,859)	–
NOK	1,772,020	SEK	1,810,589	HSBC	06/04/2020	(9,657)	–
NOK	1,145,269	CHF	117,633	HSBC	06/04/2020	(12,536)	–
NOK	1,164,559	USD	125,482	HSBC	06/04/2020	(14,340)	–
NOK	1,223,179	USD	131,892	HSBC	06/04/2020	(15,155)	–
USD	187,044	NOK	2,119,664	HSBC	06/04/2020	(15,252)	–
USD	286,955	NOK	3,228,050	HSBC	06/04/2020	(21,123)	–
NOK	4,830,737	GBP	404,925	HSBC	06/04/2020	(39,475)	–
NOK	5,995,148	EUR	577,923	HSBC	06/04/2020	(60,674)	–
NOK	33,226,369	USD	3,570,186	HSBC	06/04/2020	(399,142)	(0.02)
<b>Total Unrealised Gain on Forward Currency Contracts<sup>2#</sup></b>						<b>271,366</b>	<b>0.01</b>
<b>Total Unrealised Loss on Forward Currency Contracts<sup>#</sup></b>						<b>(621,249)</b>	<b>(0.02)</b>



**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Total Financial assets at Fair Value through Profit or Loss</b>	<b>2,849,281,983</b>	<b>99.05</b>
<b>Total Financial liabilities at Fair Value through Profit or Loss</b>	<b>(621,249)</b>	<b>(0.02)</b>
<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>	<b>2,848,660,734</b>	<b>99.03</b>
<b>Other Net Assets</b>	<b>27,852,145</b>	<b>0.97</b>
<b>Net assets attributable to Holders of Redeemable Participating Shares</b>	<b>2,876,512,879</b>	<b>100.00</b>
<b>Analysis of Gross Investments</b>		<b>% of Total Assets</b>
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	2,849,010,617	99.04
<sup>2</sup> Financial derivative instruments traded over-the-counter	271,366	0.01

# Forward Currency Contracts are held at Class level for hedging.

**VERITAS FUNDS PLC**

**VERITAS GLOBAL EQUITY INCOME FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value GBP</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Australia</b>			
670,166	Sonic Healthcare Ltd.	8,041,739	2.33
		<b>8,041,739</b>	<b>2.33</b>
<b>France</b>			
100,700	Airbus SE	5,288,289	1.54
60,200	Safran SA	4,270,274	1.24
229,900	Sanofi	16,302,822	4.73
89,700	Unibail-Rodamco-Westfield	4,091,878	1.19
1,104,300	Vivendi S.A.	19,084,944	5.54
		<b>49,038,207</b>	<b>14.24</b>
<b>Hong Kong</b>			
14,282,237	Fortune Real Estate Investment Trust	10,640,277	3.09
9,738,050	RREEF China Commercial Trust #	-	-
		<b>10,640,277</b>	<b>3.09</b>
<b>Singapore</b>			
9,544,345	Ascendas Real Estate Investment Trust	15,190,917	4.41
27,608,535	NetLink NBN Trust	14,113,090	4.10
6,267,300	Singapore Telecommunications Ltd.	8,998,912	2.61
540,900	United Overseas Bank Ltd.	5,952,800	1.73
		<b>44,255,719</b>	<b>12.85</b>
<b>Spain</b>			
147,800	Aena SME SA	13,070,543	3.79
		<b>13,070,543</b>	<b>3.79</b>
<b>Sweden</b>			
2,391,200	Svenska Handelsbanken AB	16,079,460	4.67
		<b>16,079,460</b>	<b>4.67</b>
<b>Switzerland</b>			
83,600	Nestle SA	6,936,273	2.01
		<b>6,936,273</b>	<b>2.01</b>
	# Unquoted security		

**VERITAS FUNDS PLC**

**VERITAS GLOBAL EQUITY INCOME FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value GBP</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>United Kingdom</b>			
3,778,400	BAE Systems PLC	19,711,913	5.72
2,263,692	BP PLC	7,783,139	2.26
613,400	British American Tobacco PLC	16,917,572	4.91
2,937,650	Capita PLC	960,758	0.28
2,505,240	ConvaTec Group PLC	4,671,646	1.36
453,500	Diageo PLC	11,726,376	3.40
226,300	Ferguson PLC	11,439,465	3.32
1,562,800	M&G PLC	1,760,494	0.51
946,200	Prudential PLC	9,781,343	2.84
232,000	Reckitt Benckiser Group PLC	14,266,840	4.14
499,600	Unilever NV	19,785,240	5.75
		<b>118,804,786</b>	<b>34.49</b>
<b>United States</b>			
478,900	Cisco Systems, Inc.	15,174,790	4.41
203,500	CVS Health Corp.	9,746,238	2.83
314,700	MSC Industrial Direct Co., Inc.	14,013,598	4.07
125,500	Pfizer, Inc.	3,304,629	0.96
327,100	Philip Morris International, Inc.	19,245,599	5.58
162,300	Welltower, Inc.	5,984,399	1.74
		<b>67,469,253</b>	<b>19.59</b>
<b>Total Equities<sup>1</sup></b>		<b>334,336,257</b>	<b>97.06</b>

<b>Currency Purchased</b>	<b>Amount Purchased</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Counterparty</b>	<b>Maturity Date</b>	<b>Unrealised Gain/(Loss) GBP</b>	<b>% of Net Assets</b>
<b>Unrealised Gain/(Loss) on Forward Currency Contracts</b>							
USD	1,952,167	GBP	1,523,048	HSBC	06/04/2020	56,305	0.02
GBP	51,879	USD	59,890	HSBC	06/04/2020	3,427	-
USD	45,814	GBP	35,784	HSBC	06/04/2020	1,281	-
GBP	78,244	USD	95,562	HSBC	06/04/2020	932	-
USD	27,613	GBP	21,573	HSBC	06/04/2020	767	-

**VERITAS FUNDS PLC**

**VERITAS GLOBAL EQUITY INCOME FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Currency Purchased</b>	<b>Amount Purchased</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Counterparty</b>	<b>Maturity Date</b>	<b>Unrealised Gain/(Loss) GBP</b>	<b>% of Net Assets</b>
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
USD	22,251	GBP	17,955	HSBC	06/04/2020	47	–
GBP	17,551	USD	21,793	HSBC	06/04/2020	(80)	–
GBP	30,802	USD	38,211	HSBC	06/04/2020	(112)	–
USD	19,844	GBP	16,358	HSBC	06/04/2020	(304)	–
USD	25,503	GBP	21,832	HSBC	06/04/2020	(1,199)	–
GBP	29,285	USD	38,154	HSBC	06/04/2020	(1,583)	–
USD	38,856	GBP	33,102	HSBC	06/04/2020	(1,666)	–
GBP	93,787	USD	118,304	HSBC	06/04/2020	(1,924)	–
USD	67,734	GBP	57,364	HSBC	06/04/2020	(2,565)	–
GBP	83,039	USD	109,072	HSBC	06/04/2020	(5,203)	–
<b>Total Unrealised Gain on Forward Currency Contracts<sup>2#</sup></b>						<b>62,759</b>	<b>0.02</b>
<b>Total Unrealised Loss on Forward Currency Contracts<sup>#</sup></b>						<b>(14,636)</b>	<b>0.00</b>
<b>Total Financial assets at Fair Value through Profit or Loss</b>						<b>334,399,016</b>	<b>97.08</b>
<b>Total Financial liabilities at Fair Value through Profit or Loss</b>						<b>(14,636)</b>	<b>0.00</b>
<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>						<b>334,384,380</b>	<b>97.08</b>
<b>Other Net Assets</b>						<b>10,073,709</b>	<b>2.92</b>
<b>Net assets attributable to Holders of Redeemable Participating Shares</b>						<b>344,458,089</b>	<b>100.00</b>
<b>Analysis of Gross Investments</b>							<b>% of Total Assets</b>
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market						334,336,257	97.06
<sup>2</sup> Financial derivative instruments traded over-the-counter						62,759	0.02

# Forward Currency Contracts are held at Class level for hedging.

**VERITAS FUNDS PLC**

**VERITAS CHINA FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>China</b>			
100,000	Aier Eye Hospital Group Co. Ltd.	555,501	2.40
4,000	BeiGene Ltd.	492,420	2.13
219,951	Chongqing Fuling Zhacai Group Co. Ltd.	978,550	4.23
60,000	Contemporary Amperex Technology Co. Ltd.	1,019,116	4.40
100,000	ENN Energy Holdings Ltd.	967,952	4.18
104,921	Guangdong Marubi Biotechnology Co. Ltd.	1,024,239	4.42
99,950	Hangzhou Tigermed Consulting Co. Ltd.	903,233	3.90
13,490	Kweichow Moutai Co. Ltd.	2,113,058	9.13
200,000	Li Ning Co. Ltd.	583,803	2.52
160,000	Luzhou Laojiao Co. Ltd.	1,662,368	7.18
70,000	Meituan Dianping	845,547	3.65
4,000	New Oriental Education & Technology Group, Inc.	432,940	1.87
150,000	Shanghai Junshi Biosciences Co. Ltd.	562,193	2.43
59,952	Skshu Paint Co. Ltd.	751,113	3.24
10,000	TAL Education Group	531,850	2.30
45,000	Tencent Holdings Ltd.	2,206,775	9.53
80,000	Wuxi Biologics Cayman, Inc.	1,036,783	4.48
23,000	Yum China Holdings, Inc.	981,295	4.24
		<b>17,648,736</b>	<b>76.23</b>
<b>Hong Kong</b>			
200,000	China Gas Holdings Ltd.	696,049	3.01
200,000	Dah Sing Banking Group Ltd.	174,302	0.75
		<b>870,351</b>	<b>3.76</b>
	<b>Total Equities<sup>1</sup></b>	<b>18,519,087</b>	<b>79.99</b>
<b>Bond</b>			
<b>China</b>			
583,000	Trip.com Group Ltd. 1.25% 15/09/2022	582,303	2.52
		<b>582,303</b>	<b>2.52</b>
	<b>Total Bond<sup>1</sup></b>	<b>582,303</b>	<b>2.52</b>

**VERITAS FUNDS PLC**

**VERITAS CHINA FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
	<b>Unrealised loss on Contract for Difference*</b>		
	<b>China</b>		
(590,051)	Midea Group Co. Ltd.	(93,402)	(0.40)
		<b>(93,402)</b>	<b>(0.40)</b>
	<b>Total Unrealised loss on Contract for Difference</b>	<b>(93,402)</b>	<b>(0.40)</b>
	<b>Total Financial assets at Fair Value through Profit or Loss</b>	<b>19,101,390</b>	<b>82.51</b>
	<b>Total Financial liabilities at Fair Value through Profit or Loss</b>	<b>(93,402)</b>	<b>(0.40)</b>
	<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>	<b>19,007,988</b>	<b>82.11</b>
	<b>Other Net Assets</b>	<b>4,142,204</b>	<b>17.89</b>
	<b>Net assets attributable to Holders of Redeemable Participating Shares</b>	<b>23,150,192</b>	<b>100.00</b>

\*The counterparty for the contracts for difference is Morgan Stanley.

<b>Analysis of Gross Investments</b>		<b>% of Total Assets</b>
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	19,101,390	82.51

**VERITAS FUNDS PLC**

**VERITAS GLOBAL REAL RETURN FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value GBP</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Australia</b>			
74,200	Cochlear Ltd.	6,855,791	2.36
555,206	Sonic Healthcare Ltd.	6,662,263	2.29
		<b>13,518,054</b>	<b>4.65</b>
<b>Canada</b>			
64,300	Canadian Pacific Railway Ltd.	11,374,299	3.92
108,400	Franco-Nevada Corp.	8,699,888	2.99
		<b>20,074,187</b>	<b>6.91</b>
<b>China</b>			
47,400	Alibaba Group Holding Ltd. ADR	7,429,103	2.56
		<b>7,429,103</b>	<b>2.56</b>
<b>France</b>			
152,400	Airbus SE	8,003,329	2.76
90,200	Safran SA	6,398,318	2.20
		<b>14,401,647</b>	<b>4.96</b>
<b>Hong Kong</b>			
4,654,000	RREEF China Commercial Trust #	-	-
		-	-
<b>Spain</b>			
42,710	Aena SME SA	3,777,015	1.30
		<b>3,777,015</b>	<b>1.30</b>
<b>Sweden</b>			
1,395,400	Svenska Handelsbanken AB	9,383,271	3.23
		<b>9,383,271</b>	<b>3.23</b>
<b>Switzerland</b>			
70,000	Nestle SA	5,807,884	2.00
		<b>5,807,884</b>	<b>2.00</b>
	# Unquoted security		

**VERITAS FUNDS PLC**

**VERITAS GLOBAL REAL RETURN FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value GBP</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>United Kingdom</b>			
2,584,400	BAE Systems PLC	13,482,815	4.64
1,197,650	Capita PLC	391,691	0.13
144,500	Reckitt Benckiser Group PLC	8,886,028	3.06
275,200	Unilever NV	10,898,514	3.75
		<b>33,659,048</b>	<b>11.58</b>
<b>United States</b>			
98,900	Abbott Laboratories	6,300,742	2.17
18,900	Alphabet, Inc.	17,711,539	6.09
596,548	Altice USA, Inc.	10,728,675	3.69
3	Amazon.com, Inc.	4,713	0.00
187,815	Baxter International, Inc.	12,277,387	4.23
33,900	Becton Dickinson & Co.	6,277,494	2.16
59,499	Charter Communications, Inc.	20,935,616	7.19
73,000	Cigna Corp.	10,419,993	3.59
38,969	Cooper Cos, Inc.	8,669,381	2.98
197,000	CVS Health Corp.	9,434,933	3.25
87,000	Facebook, Inc.	11,702,673	4.03
150,200	Intercontinental Exchange, Inc.	9,793,071	3.37
49,600	Mastercard, Inc.	9,678,190	3.33
143,100	Philip Morris International, Inc.	8,419,582	2.90
87,000	Raytheon Co.	9,216,759	3.17
35,500	Thermo Fisher Scientific, Inc.	8,113,079	2.79
53,700	UnitedHealth Group, Inc.	10,796,950	3.72
		<b>170,480,777</b>	<b>58.66</b>
	<b>Total Equities<sup>1</sup></b>	<b>278,530,986</b>	<b>95.85</b>



VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020  
(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts</b>							
USD	56,595,959	GBP	44,155,207	HSBC	06/04/2020	1,632,368	0.57
USD	18,206,439	GBP	14,204,355	HSBC	06/04/2020	525,120	0.18
EUR	16,587,417	GBP	14,424,900	HSBC	06/04/2020	269,848	0.09
EUR	13,898,114	GBP	12,086,204	HSBC	06/04/2020	226,098	0.08
USD	6,170,965	GBP	4,814,482	HSBC	06/04/2020	177,986	0.06
GBP	1,906,508	USD	2,248,281	HSBC	06/04/2020	87,591	0.03
GBP	1,748,561	EUR	1,898,711	Brown Brothers Harriman	06/04/2020	66,498	0.02
USD	1,808,748	GBP	1,407,209	HSBC	06/04/2020	56,114	0.02
GBP	689,458	USD	809,311	HSBC	06/04/2020	34,705	0.01
GBP	663,384	USD	782,307	HSBC	06/04/2020	30,478	0.01
GBP	576,210	USD	677,675	Brown Brothers Harriman	06/04/2020	27,954	0.01
USD	745,704	GBP	576,940	HSBC	06/04/2020	26,353	0.01
GBP	661,969	EUR	722,039	HSBC	06/04/2020	22,317	0.01
EUR	1,356,353	GBP	1,179,524	HSBC	06/04/2020	22,065	0.01
USD	737,154	GBP	575,911	HSBC	06/04/2020	20,465	0.01
USD	603,041	GBP	469,167	HSBC	06/04/2020	18,709	0.01
GBP	523,879	EUR	571,418	HSBC	06/04/2020	17,661	0.01
GBP	236,835	USD	278,006	HSBC	06/04/2020	11,921	0.01
GBP	213,455	USD	251,720	HSBC	06/04/2020	9,807	0.01
GBP	195,841	USD	230,000	Brown Brothers Harriman	06/04/2020	9,765	0.01
USD	239,861	GBP	185,577	HSBC	06/04/2020	8,477	0.01
USD	243,980	GBP	190,613	HSBC	06/04/2020	6,773	–
GBP	174,245	USD	207,129	Brown Brothers Harriman	06/04/2020	6,673	–
USD	205,461	GBP	159,849	HSBC	06/04/2020	6,374	–
GBP	184,314	EUR	202,260	HSBC	06/04/2020	5,132	–
EUR	315,391	GBP	274,659	HSBC	06/04/2020	4,746	–
USD	112,939	GBP	86,771	Brown Brothers Harriman	06/04/2020	4,600	–
EUR	220,670	GBP	191,179	HSBC	06/04/2020	4,312	–
GBP	134,783	USD	161,384	Brown Brothers Harriman	06/04/2020	4,219	–
GBP	77,183	USD	90,600	HSBC	06/04/2020	3,885	–
GBP	122,225	USD	146,348	Brown Brothers Harriman	06/04/2020	3,826	–
EUR	560,645	GBP	492,863	HSBC	06/04/2020	3,811	–
EUR	253,058	GBP	220,375	HSBC	06/04/2020	3,808	–
EUR	181,053	GBP	156,856	HSBC	06/04/2020	3,538	–
GBP	86,032	EUR	93,420	Brown Brothers Harriman	06/04/2020	3,272	–
GBP	65,947	USD	77,560	Brown Brothers Harriman	06/04/2020	3,199	–
EUR	199,946	GBP	174,007	Brown Brothers Harriman	06/04/2020	3,125	–
EUR	459,144	GBP	403,633	HSBC	06/04/2020	3,121	–

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2020

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
GBP	332,439	EUR	371,897	HSBC	06/04/2020	2,977	–
USD	81,296	GBP	62,898	HSBC	06/04/2020	2,873	–
GBP	72,644	USD	86,668	Brown Brothers Harriman	06/04/2020	2,527	–
GBP	272,857	EUR	305,243	HSBC	06/04/2020	2,443	–
GBP	56,073	EUR	60,576	Brown Brothers Harriman	06/04/2020	2,409	–
USD	83,165	GBP	64,974	HSBC	06/04/2020	2,309	–
GBP	533,791	EUR	600,126	HSBC	06/04/2020	2,141	–
USD	1,030,036	GBP	831,414	HSBC	06/04/2020	1,912	–
GBP	474,292	EUR	533,232	HSBC	06/04/2020	1,903	–
USD	841,239	GBP	678,807	HSBC	06/04/2020	1,777	–
USD	50,000	GBP	38,686	Brown Brothers Harriman	06/04/2020	1,765	–
USD	46,238	GBP	35,775	Brown Brothers Harriman	06/04/2020	1,632	–
GBP	41,771	EUR	45,562	HSBC	06/04/2020	1,408	–
USD	50,000	GBP	39,084	Brown Brothers Harriman	06/04/2020	1,367	–
GBP	55,702	EUR	61,345	Brown Brothers Harriman	06/04/2020	1,357	–
USD	45,577	GBP	35,626	Brown Brothers Harriman	06/04/2020	1,246	–
GBP	49,493	EUR	54,507	Brown Brothers Harriman	06/04/2020	1,205	–
GBP	42,953	EUR	47,206	Brown Brothers Harriman	06/04/2020	1,133	–
USD	24,540	GBP	18,817	Brown Brothers Harriman	06/04/2020	1,036	–
GBP	17,250	EUR	18,522	Brown Brothers Harriman	06/04/2020	841	–
EUR	58,780	GBP	51,313	Brown Brothers Harriman	06/04/2020	760	–
USD	31,218	GBP	24,504	Brown Brothers Harriman	06/04/2020	752	–
GBP	26,077	EUR	28,609	Brown Brothers Harriman	06/04/2020	732	–
GBP	17,915	EUR	19,454	Brown Brothers Harriman	06/04/2020	681	–
GBP	386,649	USD	477,094	Brown Brothers Harriman	06/04/2020	668	–
GBP	102,375	EUR	114,811	Brown Brothers Harriman	06/04/2020	664	–
USD	352,969	GBP	284,906	HSBC	06/04/2020	655	–
USD	288,161	GBP	232,521	HSBC	06/04/2020	609	–
USD	12,500	GBP	9,604	Brown Brothers Harriman	06/04/2020	509	–
GBP	20,384	EUR	22,449	Brown Brothers Harriman	06/04/2020	496	–
EUR	24,787	GBP	21,469	Brown Brothers Harriman	06/04/2020	490	–
EUR	34,863	GBP	30,411	Brown Brothers Harriman	06/04/2020	474	–
GBP	15,129	EUR	16,602	HSBC	06/04/2020	421	–
EUR	24,634	GBP	21,453	HSBC	06/04/2020	371	–
GBP	261,710	EUR	295,020	HSBC	06/04/2020	353	–
USD	7,620	GBP	5,814	Brown Brothers Harriman	06/04/2020	351	–
GBP	53,683	EUR	60,205	Brown Brothers Harriman	06/04/2020	348	–
EUR	17,445	GBP	15,113	HSBC	06/04/2020	341	–
GBP	8,249	USD	9,806	Brown Brothers Harriman	06/04/2020	316	–
EUR	44,158	GBP	38,819	HSBC	06/04/2020	300	–

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2020

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
GBP	214,101	EUR	241,350	HSBC	06/04/2020	289	–
GBP	26,354	EUR	29,483	HSBC	06/04/2020	236	–
GBP	126,916	USD	156,605	Brown Brothers Harriman	06/04/2020	219	–
USD	115,892	GBP	93,544	HSBC	06/04/2020	215	–
USD	94,559	GBP	76,301	HSBC	06/04/2020	200	–
GBP	26,720	EUR	29,962	Brown Brothers Harriman	06/04/2020	177	–
GBP	38,278	EUR	43,035	HSBC	06/04/2020	154	–
GBP	82,419	USD	101,698	Brown Brothers Harriman	06/04/2020	142	–
EUR	242,330	GBP	214,548	HSBC	06/04/2020	131	–
EUR	7,748	GBP	6,743	Brown Brothers Harriman	06/04/2020	121	–
GBP	2,609	EUR	2,810	Brown Brothers Harriman	06/04/2020	120	–
EUR	214,963	GBP	190,319	HSBC	06/04/2020	116	–
USD	30,000	GBP	24,166	Brown Brothers Harriman	06/04/2020	105	–
USD	1,601	GBP	1,238	Brown Brothers Harriman	06/04/2020	57	–
GBP	1,956	EUR	2,149	Brown Brothers Harriman	06/04/2020	52	–
GBP	7,654	EUR	8,584	Brown Brothers Harriman	06/04/2020	50	–
GBP	1,363	USD	1,632	Brown Brothers Harriman	06/04/2020	43	–
EUR	4,823	GBP	4,232	Brown Brothers Harriman	06/04/2020	40	–
GBP	1,236	USD	1,480	Brown Brothers Harriman	06/04/2020	39	–
GBP	20,696	EUR	23,330	HSBC	06/04/2020	28	–
GBP	865	EUR	952	Brown Brothers Harriman	06/04/2020	21	–
GBP	762	EUR	839	Brown Brothers Harriman	06/04/2020	19	–
EUR	6,124	GBP	5,409	Brown Brothers Harriman	06/04/2020	17	–
GBP	473	EUR	519	Brown Brothers Harriman	06/04/2020	13	–
USD	315	GBP	242	Brown Brothers Harriman	06/04/2020	13	–
GBP	5,935	USD	7,323	Brown Brothers Harriman	06/04/2020	10	–
EUR	17,344	GBP	15,356	HSBC	06/04/2020	9	–
EUR	441	GBP	382	Brown Brothers Harriman	06/04/2020	9	–
GBP	315	EUR	347	Brown Brothers Harriman	06/04/2020	8	–
EUR	503	GBP	439	Brown Brothers Harriman	06/04/2020	7	–
GBP	151	EUR	162	Brown Brothers Harriman	06/04/2020	7	–
EUR	420	GBP	366	Brown Brothers Harriman	06/04/2020	6	–
USD	41,460	GBP	33,537	Brown Brothers Harriman	06/04/2020	6	–
EUR	199	GBP	174	Brown Brothers Harriman	06/04/2020	3	–
EUR	198	GBP	173	Brown Brothers Harriman	06/04/2020	3	–
GBP	66	USD	78	Brown Brothers Harriman	06/04/2020	2	–
EUR	878	GBP	775	Brown Brothers Harriman	06/04/2020	2	–
GBP	1,261	USD	1,556	Brown Brothers Harriman	06/04/2020	2	–
EUR	166	GBP	145	Brown Brothers Harriman	06/04/2020	1	–
GBP	14	EUR	15	Brown Brothers Harriman	06/04/2020	1	–

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2020

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
GBP	704	USD	868	Brown Brothers Harriman	06/04/2020	1	–
USD	607	GBP	491	Brown Brothers Harriman	06/04/2020	–	–
EUR	10	GBP	9	Brown Brothers Harriman	06/04/2020	–	–
GBP	10	EUR	10	Brown Brothers Harriman	06/04/2020	–	–
USD	1	GBP	1	Brown Brothers Harriman	06/04/2020	–	–
USD	15	GBP	13	Brown Brothers Harriman	06/04/2020	–	–
EUR	53	GBP	49	Brown Brothers Harriman	06/04/2020	(2)	–
GBP	755	EUR	861	Brown Brothers Harriman	06/04/2020	(7)	–
EUR	1,178	GBP	1,051	Brown Brothers Harriman	06/04/2020	(7)	–
EUR	1,364	GBP	1,217	Brown Brothers Harriman	06/04/2020	(8)	–
GBP	297	USD	381	Brown Brothers Harriman	06/04/2020	(10)	–
EUR	423	GBP	385	Brown Brothers Harriman	06/04/2020	(11)	–
GBP	80,889	USD	100,000	Brown Brothers Harriman	06/04/2020	(13)	–
EUR	2,599	GBP	2,318	Brown Brothers Harriman	06/04/2020	(15)	–
USD	729	GBP	611	Brown Brothers Harriman	06/04/2020	(21)	–
USD	584	GBP	497	Brown Brothers Harriman	06/04/2020	(25)	–
USD	1,108	GBP	942	Brown Brothers Harriman	06/04/2020	(46)	–
USD	1,335	GBP	1,137	Brown Brothers Harriman	06/04/2020	(57)	–
GBP	1,477	USD	1,922	Brown Brothers Harriman	06/04/2020	(78)	–
EUR	4,000	GBP	3,640	Brown Brothers Harriman	06/04/2020	(96)	–
EUR	2,909	GBP	2,693	Brown Brothers Harriman	06/04/2020	(116)	–
GBP	8,563	EUR	9,817	Brown Brothers Harriman	06/04/2020	(134)	–
GBP	43,723	EUR	49,509	Brown Brothers Harriman	06/04/2020	(136)	–
EUR	20,879	GBP	18,657	HSBC	06/04/2020	(160)	–
GBP	12,968	EUR	14,855	Brown Brothers Harriman	06/04/2020	(192)	–
GBP	21,984	EUR	25,053	Brown Brothers Harriman	06/04/2020	(210)	–
GBP	16,016	EUR	18,329	HSBC	06/04/2020	(222)	–
EUR	10,563	GBP	9,616	HSBC	06/04/2020	(258)	–
EUR	10,305	GBP	9,449	HSBC	06/04/2020	(320)	–
GBP	20,241	EUR	23,260	HSBC	06/04/2020	(365)	–
GBP	24,336	EUR	27,909	Brown Brothers Harriman	06/04/2020	(388)	–
USD	9,669	GBP	8,221	Brown Brothers Harriman	06/04/2020	(399)	–
GBP	32,892	EUR	37,678	Brown Brothers Harriman	06/04/2020	(487)	–
GBP	109,151	USD	135,534	HSBC	06/04/2020	(500)	–
GBP	50,179	EUR	57,241	HSBC	06/04/2020	(530)	–
EUR	18,304	GBP	16,758	HSBC	06/04/2020	(543)	–
GBP	191,451	USD	237,503	HSBC	06/04/2020	(695)	–
GBP	14,220	USD	18,509	Brown Brothers Harriman	06/04/2020	(754)	–
GBP	17,846	USD	23,074	Brown Brothers Harriman	06/04/2020	(821)	–
USD	88,874	GBP	72,768	HSBC	06/04/2020	(867)	–

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2020

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
GBP	25,453	USD	32,562	Brown Brothers Harriman	06/04/2020	(891)	–
EUR	35,301	GBP	32,176	Brown Brothers Harriman	06/04/2020	(903)	–
USD	61,022	GBP	50,303	HSBC	06/04/2020	(935)	–
GBP	317,472	USD	394,209	HSBC	06/04/2020	(1,453)	–
EUR	46,056	GBP	42,331	HSBC	06/04/2020	(1,530)	–
GBP	85,930	USD	108,393	HSBC	06/04/2020	(1,763)	–
EUR	259,295	GBP	231,699	HSBC	06/04/2020	(1,989)	–
GBP	582,333	USD	722,408	HSBC	06/04/2020	(2,114)	–
EUR	291,669	GBP	260,627	HSBC	06/04/2020	(2,238)	–
GBP	163,261	EUR	186,839	HSBC	06/04/2020	(2,259)	–
EUR	391,065	GBP	348,705	Brown Brothers Harriman	06/04/2020	(2,261)	–
USD	259,345	GBP	212,347	HSBC	06/04/2020	(2,531)	–
USD	53,832	GBP	46,127	HSBC	06/04/2020	(2,576)	–
GBP	198,079	EUR	226,685	HSBC	06/04/2020	(2,740)	–
USD	187,591	GBP	154,639	HSBC	06/04/2020	(2,873)	–
EUR	131,221	GBP	119,457	HSBC	06/04/2020	(3,209)	–
EUR	147,611	GBP	134,378	HSBC	06/04/2020	(3,610)	–
GBP	206,940	EUR	237,806	HSBC	06/04/2020	(3,732)	–
EUR	126,962	GBP	116,420	HSBC	06/04/2020	(3,945)	–
GBP	66,916	USD	87,894	HSBC	06/04/2020	(4,192)	–
GBP	953,280	USD	1,183,700	HSBC	06/04/2020	(4,364)	–
GBP	81,425	USD	106,084	HSBC	06/04/2020	(4,400)	–
GBP	250,935	EUR	288,363	HSBC	06/04/2020	(4,525)	–
GBP	249,981	USD	315,330	HSBC	06/04/2020	(5,128)	–
GBP	517,693	EUR	590,541	HSBC	06/04/2020	(5,466)	–
EUR	197,442	GBP	180,768	HSBC	06/04/2020	(5,855)	–
GBP	1,698,042	USD	2,106,494	HSBC	06/04/2020	(6,165)	–
GBP	631,536	EUR	720,403	HSBC	06/04/2020	(6,668)	–
EUR	248,821	GBP	227,809	HSBC	06/04/2020	(7,378)	–
USD	779,523	GBP	638,260	HSBC	06/04/2020	(7,606)	–
USD	167,487	GBP	143,517	HSBC	06/04/2020	(8,016)	–
USD	544,436	GBP	448,800	HSBC	06/04/2020	(8,338)	–
GBP	202,591	USD	261,963	HSBC	06/04/2020	(9,343)	(0.01)
USD	251,472	GBP	212,971	HSBC	06/04/2020	(9,524)	(0.01)
GBP	195,677	USD	257,020	HSBC	06/04/2020	(12,259)	(0.01)
GBP	237,715	USD	309,708	HSBC	06/04/2020	(12,847)	(0.01)
GBP	750,122	USD	946,214	HSBC	06/04/2020	(15,389)	(0.01)
USD	542,157	GBP	454,430	Brown Brothers Harriman	06/04/2020	(15,811)	(0.01)
EUR	576,010	GBP	529,427	HSBC	06/04/2020	(19,141)	(0.01)
GBP	389,169	USD	507,526	Brown Brothers Harriman	06/04/2020	(21,433)	(0.01)

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2020

(CONTINUED)

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Unrealised Gain/(Loss) GBP	% of Net Assets
<b>Unrealised Gain/(Loss) on Forward Currency Contracts (continued)</b>							
EUR	645,588	GBP	593,378	HSBC	06/04/2020	(21,453)	(0.01)
USD	485,673	GBP	416,165	HSBC	06/04/2020	(23,244)	(0.01)
GBP	594,189	USD	768,323	HSBC	06/04/2020	(27,404)	(0.01)
USD	772,298	GBP	654,057	HSBC	06/04/2020	(29,248)	(0.01)
GBP	591,880	USD	777,431	HSBC	06/04/2020	(37,081)	(0.01)
GBP	724,100	USD	943,398	HSBC	06/04/2020	(39,133)	(0.01)
GBP	991,314	USD	1,281,710	Brown Brothers Harriman	06/04/2020	(45,622)	(0.02)
GBP	1,798,171	USD	2,325,146	HSBC	06/04/2020	(82,931)	(0.03)
USD	2,250,731	GBP	1,906,137	HSBC	06/04/2020	(85,238)	(0.03)
<b>Total Unrealised Gain on Forward Currency Contracts<sup>2#</sup></b>						<b>3,425,960</b>	<b>1.18</b>
<b>Total Unrealised Loss on Forward Currency Contracts<sup>#</sup></b>						<b>(637,247)</b>	<b>(0.22)</b>

Holdings	Financial assets at fair value through profit or loss	Fair Value GBP	% of Net Assets Value
<b>Future Contracts*</b>			
(550)	Euro Stoxx 50 Index Futures June 2020	(1,790,507)	(0.62)
(140)	FTSE 100 Index Futures June 2020	(835,495)	(0.29)
(615)	S&P 500 Index Futures June 2020	(5,113,805)	(1.75)
		<b>(7,739,807)</b>	<b>(2.66)</b>
<b>Total Unrealised Loss on Future Contracts</b>		<b>(7,739,807)</b>	<b>(2.66)</b>

**VERITAS FUNDS PLC**

**VERITAS GLOBAL REAL RETURN FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020  
(CONTINUED)**

	<b>Fair Value GBP</b>	<b>% of Net Assets Value</b>
<b>Total Financial assets at Fair Value through Profit or Loss</b>	<b>281,956,946</b>	<b>97.03</b>
<b>Total Financial liabilities at Fair Value through Profit or Loss</b>	<b>(8,377,054)</b>	<b>(2.88)</b>
<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>	<b>273,579,892</b>	<b>94.15</b>
<b>Other Net Assets</b>	<b>17,000,003</b>	<b>5.85</b>
<b>Net assets attributable to Holders of Redeemable Participating Shares</b>	<b>290,579,895</b>	<b>100.00</b>

\* The counterparty for the future contracts is UBS.

		<b>% of Total Assets</b>
<b>Analysis of Gross Investments</b>		
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	278,530,986	95.85
<sup>2</sup> Financial derivative instruments traded over-the-counter	3,425,960	1.18

# Forward Currency Contracts are held at Class level for hedging

**VERITAS FUNDS PLC**

**VERITAS IZOARD FUND**

**SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Australia</b>			
98,706	Sonic Healthcare Ltd.	1,468,640	2.55
		<b>1,468,640</b>	<b>2.55</b>
<b>Canada</b>			
14,300	Canadian Pacific Railway Ltd.	3,136,562	5.45
		<b>3,136,562</b>	<b>5.45</b>
<b>France</b>			
13,500	Safran SA	1,187,400	2.06
		<b>1,187,400</b>	<b>2.06</b>
<b>Spain</b>			
14,690	Aena SME SA	1,610,813	2.80
		<b>1,610,813</b>	<b>2.80</b>
<b>Switzerland</b>			
22,000	Nestle SA	2,263,325	3.93
		<b>2,263,325</b>	<b>3.93</b>
<b>United Kingdom</b>			
460,000	BAE Systems PLC	2,975,657	5.17
74,300	British American Tobacco PLC	2,540,899	4.41
25,100	Reckitt Benckiser Group PLC	1,913,894	3.32
67,300	Unilever NV	3,304,746	5.74
		<b>10,735,196</b>	<b>18.64</b>
<b>United States</b>			
4,600	Alphabet, Inc.	5,345,108	9.28
129,557	Altice USA, Inc.	2,889,121	5.02
27,651	Baxter International, Inc.	2,241,252	3.89
11,359	Charter Communications, Inc.	4,955,875	8.61
17,500	Cigna Corp.	3,097,325	5.38
4,486	Cooper Cos, Inc.	1,237,463	2.15
49,100	CVS Health Corp.	2,915,803	5.06
16,638	Facebook, Inc.	2,775,052	4.82
25,800	Intercontinental Exchange, Inc.	2,085,801	3.62
7,400	Mastercard, Inc.	1,790,393	3.11



**VERITAS FUNDS PLC**

**VERITAS IZOARD FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>United States (continued)</b>			
37,400	Philip Morris International, Inc.	2,728,517	4.74
17,500	Raytheon Co.	2,298,800	3.99
7,200	UnitedHealth Group, Inc.	1,794,996	3.12
		<b>36,155,506</b>	<b>62.79</b>
<b>Total Equities<sup>1</sup></b>		<b>56,557,442</b>	<b>98.22</b>
<b>Total Financial assets at Fair Value through Profit or Loss</b>		<b>56,557,442</b>	<b>98.22</b>
<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>		<b>56,557,442</b>	<b>98.22</b>
<b>Other Net Assets</b>		<b>1,022,214</b>	<b>1.78</b>
<b>Net assets attributable to Holders of Redeemable Participating Shares</b>		<b>57,579,656</b>	<b>100.00</b>
<b>Analysis of Gross Investments</b>			<b>% of Total Assets</b>
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market		56,557,442	98.22

**VERITAS FUNDS PLC**

**VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities</b>			
<b>Canada</b>			
2,100	Franco-Nevada Corp.	208,982	1.89
		<b>208,982</b>	<b>1.89</b>
<b>China</b>			
19,050	Alibaba Group Holding Ltd.	450,880	4.08
33,300	Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	394,040	3.56
10,700	Tencent Holdings Ltd.	524,722	4.75
136,600	TravelSky Technology Ltd.	240,917	2.18
		<b>1,610,559</b>	<b>14.57</b>
<b>France</b>			
3,900	Airbus SE	253,953	2.30
1,600	Pernod Ricard S.A.	227,570	2.06
		<b>481,523</b>	<b>4.36</b>
<b>Mexico</b>			
137,400	Becele SAB de CV	169,559	1.53
		<b>169,559</b>	<b>1.53</b>
<b>Switzerland</b>			
1,200	Nestle S.A.	123,454	1.12
9,800	Wizz Air Holdings PLC	280,396	2.53
		<b>403,850</b>	<b>3.65</b>
<b>United Arab Emirates</b>			
53,000	Network International Holdings PLC	256,133	2.32
		<b>256,133</b>	<b>2.32</b>
<b>United Kingdom</b>			
13,100	British American Tobacco PLC	447,992	4.05
6,500	Reckitt Benckiser Group PLC	495,629	4.49
46,400	Rolls-Royce Holdings PLC	196,075	1.77
9,300	Unilever NV	456,674	4.13
		<b>1,596,370</b>	<b>14.44</b>

**VERITAS FUNDS PLC**

**VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND**

**SCHEDULE OF INVESTMENTS**

**AS AT 31 MARCH 2020**

**(CONTINUED)**

<b>Holdings</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Fair Value USD</b>	<b>% of Net Asset Value</b>
<b>Equities (continued)</b>			
<b>United States</b>			
5,700	Abbott Laboratories	450,272	4.07
13,500	Corteva, Inc.	316,980	2.87
2,800	Facebook, Inc.	467,012	4.22
6,200	Philip Morris International, Inc.	452,321	4.09
1,575	Raytheon Co.	206,892	1.87
2,000	Starbucks Corp.	131,460	1.19
		<b>2,024,937</b>	<b>18.31</b>
<b>Total Equities<sup>1</sup></b>		<b>6,751,913</b>	<b>61.07</b>
<b>Equity Warrants*</b>			
<b>Singapore</b>			
30,300	CLSA Global Market Pte (Warrant 30/06/2024)	346,383	3.13
62,000	Bandhan Bank Ltd. (Warrant 31/10/2024)	167,551	1.52
		<b>513,934</b>	<b>4.65</b>
<b>Total Equity Warrants<sup>1</sup></b>		<b>513,934</b>	<b>4.65</b>
<b>Total Financial assets at Fair Value through Profit or Loss</b>		<b>7,265,847</b>	<b>65.72</b>
<b>Net Financial assets and liabilities at Fair Value through Profit or Loss</b>		<b>7,265,847</b>	<b>65.72</b>
<b>Other Net Assets</b>		<b>3,790,506</b>	<b>34.28</b>
<b>Net assets attributable to Holders of Redeemable Participating Shares</b>		<b>11,056,353</b>	<b>100.00</b>

\* The counterparty for the warrant is CLSA.

VERITAS FUNDS PLC

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VERITAS THIRD EYE GLOBAL EMERGING MARKETS FUND

SCHEDULE OF INVESTMENTS  
AS AT 31 MARCH 2020  
(CONTINUED)

<b>Analysis of Gross Investments</b>	<b>Fair Value USD</b>	<b>% of Total Assets</b>
<sup>1</sup> Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market	7,265,847	65.72

**VERITAS FUNDS PLC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020**

	Note	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	5	2,660,923,252	2,849,281,983	334,399,016	19,101,390
Cash and cash equivalents		170,432,181	38,977,778	7,122,016	2,583,192
Margin cash held with brokers		5,421	–	–	266
Due from brokers		5,400,096	–	5,692,290	1,456,453
Due from shareholders		11,754,216	4,764,780	519,355	126,730
Dividends receivable		4,516,783	3,715,607	2,344,976	–
Other debtors		5,164	218,572	344	386
<b>TOTAL ASSETS</b>		<b>2,853,037,113</b>	<b>2,896,958,720</b>	<b>350,077,997</b>	<b>23,268,417</b>
<b>LIABILITIES</b>					
Financial liabilities at fair value through profit or loss	5	–	621,249	14,636	93,402
Bank overdraft		–	–	–	–
Due to brokers		4,198,009	12,546,092	–	–
Due to shareholders		3,703,373	3,171,362	986,134	–
Investment management fee payable		2,457,519	2,970,396	346,648	21,215
Distribution payable	3	–	–	4,044,900	–
Other creditors		583,225	1,136,742	227,590	3,608
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>					
		<b>10,942,126</b>	<b>20,445,841</b>	<b>5,619,908</b>	<b>118,225</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>					
	8	<b>2,842,094,987</b>	<b>2,876,512,879</b>	<b>344,458,089</b>	<b>23,150,192</b>

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

**VERITAS FUNDS PLC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2020  
(CONTINUED)**

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	5	281,956,946	56,557,442	7,265,847	6,354,945,883
Cash and cash equivalents		–	926,459	3,141,825	224,120,655
Margin cash held with brokers		16,456,322	–	641,093	20,986,794
Due from brokers		3,886,451	–	–	18,695,873
Due from shareholders		255,410	–	–	19,014,808
Dividends receivable		282,040	141,008	15,705	11,636,095
Other debtors		541	120	17,463	242,799
<b>TOTAL ASSETS</b>		<b>302,837,710</b>	<b>57,625,029</b>	<b>11,081,933</b>	<b>6,649,642,907</b>
<b>LIABILITIES</b>					
Financial liabilities at fair value through profit or loss	5	8,377,054	–	–	11,086,780
Bank overdraft		1,198,453	–	–	1,481,288
Due to brokers		1,299,140	–	–	18,349,838
Due to shareholders		1,052,174	–	–	9,394,084
Investment management fee payable		235,721	24,946	9,641	6,871,406
Distribution payable	3	–	–	–	4,999,496
Other creditors		95,273	20,427	15,939	2,159,000
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>					
		<b>12,257,815</b>	<b>45,373</b>	<b>25,580</b>	<b>54,341,892</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>					
	8	<b>290,579,895</b>	<b>57,579,656</b>	<b>11,056,353</b>	<b>6,595,301,015</b>

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 2019**

	Note	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	5	1,937,299,108	2,795,993,661	491,072,514	12,142,423
Cash and cash equivalents		301,744,523	571,070,043	34,138,529	11,012,516
Margin cash held with brokers		120,709,950	–	–	870,214
Due from brokers		12,285,397	833,015	42,194,482	–
Due from shareholders		76,226,497	2,179,581	186,334	256
Dividends receivable		3,497,239	3,762,366	2,376,589	–
Other debtors		2,991	431,388	–	494
<b>TOTAL ASSETS</b>		<b>2,451,765,705</b>	<b>3,374,270,054</b>	<b>569,968,448</b>	<b>24,025,903</b>
<b>LIABILITIES</b>					
Financial liabilities at fair value through profit or loss	5	–	27,770	14,686	–
Due to brokers		39,642,096	530,724	5,971	3,398
Due to shareholders		3,472,400	30,698,020	42,305,175	–
Investment management fee payable		5,985,578	8,975,429	1,658,653	82,390
Distribution payable	3	6,842,974	5,559,204	11,948,436	27,763
Other creditors		344,691	575,230	944,344	9,945
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>					
		<b>56,287,739</b>	<b>46,366,377</b>	<b>56,877,265</b>	<b>123,496</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>					
	8	<b>2,395,477,966</b>	<b>3,327,903,677</b>	<b>513,091,183</b>	<b>23,902,407</b>

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 2019  
(CONTINUED)

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund* USD	Total USD
<b>ASSETS</b>					
Financial assets at fair value through profit or loss	5	231,543,721	51,958,313	2,490,474	5,688,701,948
Cash and cash equivalents		52,487,873	11,225,942	9,929,286	1,010,914,929
Margin cash held with brokers		4,785,357	–	–	127,466,153
Due from brokers		75,203	–	–	65,110,125
Due from shareholders		8,762,030	–	–	90,030,677
Dividends receivable		245,486	102,527	6,861	10,594,145
Other debtors		–	–	–	434,873
<b>TOTAL ASSETS</b>		<b>297,899,670</b>	<b>63,286,782</b>	<b>12,426,621</b>	<b>6,993,252,850</b>
<b>LIABILITIES</b>					
Financial liabilities at fair value through profit or loss	5	855,311	–	–	1,097,866
Due to brokers		6,227	7,977	1,277	40,200,476
Due to shareholders		507,922	–	–	86,830,529
Investment management fee payable		839,194	102,698	30,238	18,248,685
Distribution payable	3	542,145	863,528	–	28,656,884
Other creditors		403,536	13,281	12,622	2,613,661
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>					
		<b>3,154,335</b>	<b>987,484</b>	<b>44,137</b>	<b>177,648,101</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>					
	8	<b>294,745,335</b>	<b>62,299,298</b>	<b>12,382,484</b>	<b>6,815,604,749</b>

\* Launched: 1 July 2019

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



**VERITAS FUNDS PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

	Note	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
<b>INCOME</b>					
Interest income		3,116,146	4,505,393	74,354	50,895
Dividend income		10,380,970	13,692,825	8,153,885	12,995
Other income		1	35	7	12
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		(283,102,215)	(324,759,985)	(76,963,359)	(302,447)
Net gain/(loss) on foreign exchange		(1,520,966)	(740,537)	(86,069)	(7,043)
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>		<b>(271,126,064)</b>	<b>(307,302,269)</b>	<b>(68,821,182)</b>	<b>(245,588)</b>
<b>EXPENSES</b>					
Investment management fees		11,542,103	13,450,707	1,961,352	125,255
Administration fees		168,793	201,383	34,250	3,913
Depositary fees		276,374	407,146	83,623	2,644
Dividend expense		237,311	–	–	–
Directors' fees		6,756	11,291	2,191	70
Audit fees		16,404	27,415	5,318	168
Legal fees		32,351	49,756	11,732	3,638
Other expenses		42,746	24,187	4,559	588
<b>TOTAL EXPENSES</b>		<b>12,322,838</b>	<b>14,171,885</b>	<b>2,103,025</b>	<b>136,276</b>
<b>NET INCOME/(LOSS)</b>		<b>(283,448,902)</b>	<b>(321,474,154)</b>	<b>(70,924,207)</b>	<b>(381,864)</b>
<b>FINANCE COSTS</b>					
Distributions to holders of redeemable participating shares	3	–	–	(4,617,747)	–
Interest expense		(4,427)	(28,825)	(5,696)	(456)
<b>GAIN/(LOSS) FOR THE FINANCIAL PERIOD BEFORE WITHHOLDING TAX</b>		<b>(283,453,329)</b>	<b>(321,502,979)</b>	<b>(75,547,650)</b>	<b>(382,320)</b>
Less: Capital withholding tax		(649,820)	–	–	–
Less: Withholding tax		(1,519,589)	(1,962,177)	(948,374)	(1,764)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>		<b>(285,622,738)</b>	<b>(323,465,156)</b>	<b>(76,496,024)</b>	<b>(384,084)</b>

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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

	Note	Veritas Global Real Return Fund GBP	Veritas Izoard Fund USD	Veritas Third Eye Global Emerging Markets Fund USD	Total USD
<b>INCOME</b>					
Interest income		37,965	76,590	45,036	7,936,671
Dividend income		1,170,739	438,552	43,325	36,408,142
Other income		3	2	–	63
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss		(10,434,711)	(5,089,520)	(1,412,137)	(725,635,633)
Net gain/(loss) on foreign exchange		(1,312,566)	(2,661)	7,128	(4,039,926)
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>		<b>(10,538,570)</b>	<b>(4,577,037)</b>	<b>(1,316,648)</b>	<b>(685,330,683)</b>
<b>EXPENSES</b>					
Investment management fees		1,363,930	164,729	61,795	29,566,700
Administration fees		22,007	6,859	3,915	456,292
Depositary fees		35,947	7,445	5,304	850,731
Dividend expense		–	–	–	237,311
Directors' fees		814	199	199	22,330
Audit fees		1,976	485	485	54,218
Legal fees		6,246	653	653	109,878
Other expenses		2,000	654	754	77,257
<b>TOTAL EXPENSES</b>		<b>1,432,920</b>	<b>181,024</b>	<b>73,105</b>	<b>31,374,717</b>
<b>NET INCOME/(LOSS)</b>		<b>(11,971,490)</b>	<b>(4,758,061)</b>	<b>(1,389,753)</b>	<b>(716,705,400)</b>
<b>FINANCE COSTS</b>					
Distributions to holders of redeemable participating shares	3	–	–	–	(5,863,153)
Interest expense		(72)	–	–	(41,032)
<b>GAIN/(LOSS) FOR THE FINANCIAL PERIOD BEFORE WITHHOLDING TAX</b>		<b>(11,971,562)</b>	<b>(4,758,061)</b>	<b>(1,389,753)</b>	<b>(722,609,585)</b>
Less: Capital withholding tax		–	–	–	(649,820)
Less: Withholding tax		(179,130)	(34,609)	(1,483)	(4,951,214)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>		<b>(12,150,692)</b>	<b>(4,792,670)</b>	<b>(1,391,236)</b>	<b>(728,210,619)</b>

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 SIX MONTH PERIOD ENDED 31 MARCH 2019

Note	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	Veritas Izoard Fund USD	Total 2019 USD
<b>INCOME</b>							
Interest income	2,949,356	4,408,865	160,271	158,441	55,058	214,869	8,010,514
Dividend income	11,828,162	20,448,409	9,869,938	10,210	1,418,165	454,755	47,366,552
Other income	21,674	29,361	24,739	3,808	2,371	8,310	98,277
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	38,577,788	(44,336,241)	(20,015,973)	951,455	(453,534)	(267,639)	(31,595,201)
Net gain/(loss) on foreign exchange	9,126,918	(324,109)	(254,523)	(58)	(597,196)	(24,329)	7,674,924
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>	<b>62,503,898</b>	<b>(19,773,715)</b>	<b>(10,215,548)</b>	<b>1,123,856</b>	<b>424,864</b>	<b>385,966</b>	<b>31,555,066</b>
<b>EXPENSES</b>							
Investment management fees	8,233,949	12,998,397	2,538,139	114,496	1,102,959	154,291	26,218,588
Administration fees	621,729	1,007,516	190,133	10,391	97,337	21,569	2,033,655
Depository fees	577,047	664,140	138,152	7,994	61,508	17,261	1,525,124
Directors' fees	7,185	12,087	1,429	97	1,080	217	22,837
Audit fees	12,203	32,312	5,572	197	2,214	570	55,370
Legal fees	12,846	34,689	1,911	242	1,526	800	53,030
Amortisation of formation expenses	–	–	–	–	–	921	921
Other expenses	191,487	328,531	52,312	14,551	52,476	11,721	682,055
<b>TOTAL EXPENSES</b>	<b>9,656,446</b>	<b>15,077,672</b>	<b>2,927,648</b>	<b>147,968</b>	<b>1,319,100</b>	<b>207,350</b>	<b>30,591,580</b>
<b>NET INCOME/(LOSS)</b>	<b>52,847,452</b>	<b>(34,851,387)</b>	<b>(13,143,196)</b>	<b>975,888</b>	<b>(894,236)</b>	<b>178,616</b>	<b>963,486</b>
<b>FINANCE COSTS</b>							
Distributions to holders of redeemable participating shares	3	–	–	(5,778,888)	–	–	(7,487,204)
Interest expense	(1,288,343)	(42,202)	(5,112)	(21,220)	(17,116)	(74)	(1,380,638)
<b>GAIN/(LOSS) FOR THE FINANCIAL PERIOD BEFORE WITHHOLDING TAX</b>	<b>51,559,109</b>	<b>(34,893,589)</b>	<b>(18,927,196)</b>	<b>954,668</b>	<b>(911,352)</b>	<b>178,542</b>	<b>(7,904,356)</b>
Less: Withholding tax	(645,328)	(4,265,845)	(1,271,311)	–	(293,784)	(64,857)	(7,003,788)
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>	<b>50,913,781</b>	<b>(39,159,434)</b>	<b>(20,198,507)</b>	<b>954,668</b>	<b>(1,205,136)</b>	<b>113,685</b>	<b>(14,908,144)</b>

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 CHANGES IN NET ASSETS ATTRIBUTABLE  
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

	Veritas Asian Fund USD	Veritas Global Focus Fund USD	Veritas Global Equity Income Fund GBP	Veritas China Fund USD
Net Assets attributable to holders of redeemable participating shares at the start of the period	2,395,477,966	3,327,903,677	513,091,183	23,902,407
Foreign exchange movement arising on aggregation	–	–	–	–
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(285,622,738)	(323,465,156)	(76,496,024)	(384,084)
Proceeds from redeemable participating shares issued	1,186,697,062	300,967,007	16,349,150	306,497
Redemption of redeemable participating shares	(454,457,303)	(428,892,649)	(108,486,220)	(674,628)
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD</b>	<b>2,842,094,987</b>	<b>2,876,512,879</b>	<b>344,458,089</b>	<b>23,150,192</b>

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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

	<b>Veritas Global Real Return Fund GBP</b>	<b>Veritas Izoard Fund USD</b>	<b>Veritas Third Eye Global Emerging Markets Fund USD</b>	<b>Total USD</b>
Net Assets attributable to holders of redeemable participating shares at the start of the period	294,745,335	62,299,298	12,382,484	6,815,604,749
Foreign exchange movement arising on aggregation	–	–	–	10,670,330
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(12,150,692)	(4,792,670)	(1,391,236)	(728,210,619)
Proceeds from redeemable participating shares issued	51,487,592	1,572,072	162,332	1,575,837,281
Redemption of redeemable participating shares	(43,502,340)	(1,499,044)	(97,227)	(1,078,600,726)
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD</b>	<b>290,579,895</b>	<b>57,579,656</b>	<b>11,056,353</b>	<b>6,595,301,015</b>

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 SIX MONTH PERIOD ENDED 31 MARCH 2019**

	<b>Veritas Asian Fund USD</b>	<b>Veritas Global Focus Fund USD</b>	<b>Veritas Global Equity Income Fund GBP</b>	<b>Veritas China Fund USD</b>	<b>Veritas Global Real Return Fund GBP</b>	<b>Veritas Izoard Fund USD</b>	<b>Total 2019 USD</b>
Net Assets attributable to holders of redeemable participating shares at the start of the period	2,103,698,586	3,541,318,883	644,301,529	22,649,792	239,598,718	62,686,023	6,883,003,401
Foreign exchange movement arising on aggregation	–	–	–	–	–	–	(1,301,206)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	50,913,781	(39,159,434)	(20,198,507)	954,668	(1,205,136)	113,685	(14,908,143)
Proceeds from redeemable participating shares issued	446,464,910	190,477,516	36,133,439	390,364	81,241,294	3,427,939	792,832,987
Redemption of redeemable participating shares	(444,612,449)	(310,866,955)	(63,501,835)	(166,547)	(88,583,488)	-	(952,689,710)
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD</b>	<b>2,156,464,828</b>	<b>3,381,770,010</b>	<b>596,734,626</b>	<b>23,828,277</b>	<b>231,051,388</b>	<b>66,227,647</b>	<b>6,706,937,329</b>

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

**VERITAS FUNDS PLC**

**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

	<b>Veritas Asian Fund USD</b>	<b>Veritas Global Focus Fund USD</b>	<b>Veritas Global Equity Income Fund GBP</b>	<b>Veritas China Fund USD</b>	<b>Veritas Global Real Return Fund GBP</b>
<b>Cash flows from operating activities</b>					
Purchase of financial assets and settlement of financial liabilities	(1,574,755,476)	(929,121,555)	(63,696,287)	(20,713,940)	(117,870,629)
Proceeds from sale of financial assets and of financial liabilities	568,029,117	551,666,727	143,406,376	13,545,928	64,544,436
Realised (gain)/loss	62,454,735	(171,179,386)	(7,297,797)	(601,978)	(32,753,670)
Unrealised (gain)/loss	220,647,480	495,939,371	84,261,156	904,425	43,188,381
(Increase)/decrease in debtors	126,568,113	1,092,590	36,533,461	(586,397)	(15,519,308)
Increase/(decrease) in creditors	(45,576,586)	1,012,643	(9,938,266)	(98,673)	(160,968)
Interest expense	(4,427)	(28,825)	(5,696)	(456)	(72)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(285,618,311)	(323,436,331)	(71,872,581)	(383,628)	(12,150,620)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(928,255,355)</b>	<b>(374,054,766)</b>	<b>111,390,366</b>	<b>(7,934,719)</b>	<b>(70,722,450)</b>
<b>Cash flows from financing activities</b>					
Proceeds from redeemable participating shares issued	1,251,169,343	298,381,808	16,016,129	180,023	59,994,212
Payment on redemption of redeemable participating shares	(454,226,330)	(456,419,307)	(149,805,261)	(674,628)	(42,958,088)
Distributions to holders of redeemable participating shares	-	-	(4,617,747)	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>796,943,013</b>	<b>(158,037,499)</b>	<b>(138,406,879)</b>	<b>(494,605)</b>	<b>17,036,124</b>
Net increase/(decrease) in cash and cash equivalents	(131,312,342)	(532,092,265)	(27,016,513)	(8,429,324)	(53,686,326)
Cash and cash equivalents at beginning of period	301,744,523	571,070,043	34,138,529	11,012,516	52,487,873
Exchange adjustment due to currency conversion	-	-	-	-	-
<b>Cash and cash equivalents/(bank overdraft) at end of period</b>	<b>170,432,181</b>	<b>38,977,778</b>	<b>7,122,016</b>	<b>2,583,192</b>	<b>(1,198,453)</b>

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

**VERITAS FUNDS PLC**

**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

	<b>Veritas Izoard Fund USD</b>	<b>Veritas Third Eye Global Emerging Markets Fund USD</b>	<b>Total USD</b>
<b>Cash flows from operating activities</b>			
Purchase of financial assets and settlement of financial liabilities	(17,933,084)	(6,190,187)	(2,779,249,755)
Proceeds from sale of financial assets and of financial liabilities	8,244,435	2,677	1,405,524,030
Realised (gain)/loss	(2,138,102)	(2,677)	(162,320,756)
Unrealised (gain)/loss	7,227,622	1,414,814	887,956,389
(Increase)/decrease in debtors	(38,601)	(667,400)	153,049,975
Increase/(decrease) in creditors	(942,111)	(18,557)	(57,778,400)
Interest expense	–	–	(41,032)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	(4,792,670)	(1,391,236)	(722,306,434)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(10,372,511)</b>	<b>(6,852,566)</b>	<b>(1,275,165,983)</b>
<b>Cash flows from financing activities</b>			
Proceeds from redeemable participating shares issued	1,572,072	162,332	1,646,564,434
Payment on redemption of redeemable participating shares	(1,499,044)	(97,227)	(1,157,668,160)
Distributions to holders of redeemable participating shares	–	–	(5,863,153)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>73,028</b>	<b>65,105</b>	<b>483,033,121</b>
Net increase/(decrease) in cash and cash equivalents	(10,299,483)	(6,787,461)	(792,132,862)
Cash and cash equivalents at beginning of period	11,225,942	9,929,286	1,010,914,929
Exchange adjustment due to currency conversion	–	–	3,857,300
<b>Cash and cash equivalents/(bank overdraft) at end of period</b>	<b>926,459</b>	<b>3,141,825</b>	<b>222,639,367</b>

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



**VERITAS FUNDS PLC**

**STATEMENT OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2019**

	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	Veritas Izoard Fund USD	Total USD
<b>Cash flows from operating activities</b>							
Purchase of financial assets and settlement of financial liabilities	(651,011,419)	(659,079,438)	(106,491,106)	(19,582,421)	(55,181,364)	(16,844,210)	(1,555,982,481)
Proceeds from sale of financial assets and of financial liabilities	411,324,490	547,185,223	131,246,005	13,347,615	72,501,875	1,962,408	1,237,798,187
Realised (gain)/loss	14,555,514	(101,564,229)	(5,886,504)	563,585	(8,515,670)	316,356	(104,788,421)
Unrealised (gain)/loss	(48,031,779)	145,900,470	25,902,477	(2,010,752)	8,969,204	(48,718)	140,989,433
(Increase)/decrease in debtors	(1,405,238)	3,347,754	(2,061,919)	(3,333,006)	(453,987)	129,964	(4,520,167)
Increase/(decrease) in creditors	(9,030,860)	(1,250,728)	(9,119,067)	(124,565)	15,449	(573,565)	(22,774,486)
Interest expense	(1,288,343)	(42,202)	(5,112)	(21,220)	(17,116)	(74)	(1,380,638)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	52,202,124	(39,117,232)	(14,414,507)	975,888	(1,188,020)	113,759	(6,040,302)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(232,685,511)</b>	<b>(104,620,382)</b>	<b>19,170,267</b>	<b>(10,184,876)</b>	<b>16,130,371</b>	<b>(14,944,080)</b>	<b>(316,698,875)</b>
<b>Cash flows from financing activities</b>							
Proceeds from redeemable participating shares issued	442,191,167	178,183,926	36,486,067	1,403,472	51,511,829	2,127,939	737,917,743
Payment on redemption of redeemable participating shares	(458,554,614)	(322,355,888)	(64,068,871)	(166,547)	(88,368,697)	–	(978,577,181)
Distributions to holders of redeemable participating shares	–	–	(5,778,888)	–	–	–	(7,487,204)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(16,363,447)</b>	<b>(144,171,962)</b>	<b>(33,361,692)</b>	<b>1,236,925</b>	<b>(36,856,868)</b>	<b>2,127,939</b>	<b>(248,146,642)</b>
Net increase/(decrease) in cash and cash equivalents	(249,048,958)	(248,792,344)	(14,191,425)	(8,947,951)	(20,726,497)	(12,816,141)	(564,845,517)
Cash and cash equivalents at beginning of period	343,254,949	599,430,427	46,004,154	13,336,870	34,833,685	26,329,131	1,087,767,961
Exchange adjustment due to currency conversion	–	–	–	–	–	–	(340,513)
<b>Cash and cash equivalents at end of period</b>	<b>94,205,991</b>	<b>350,638,083</b>	<b>31,812,729</b>	<b>4,388,919</b>	<b>14,107,188</b>	<b>13,512,990</b>	<b>522,581,931</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020**

**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”). The Company was listed on the Irish Stock Exchange up to 13 July 2017. 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 25-28 North Wall Quay, IFSC, Dublin 1, Ireland. As at 31 March 2020, 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**

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. Specifically these financial statements have been prepared in accordance with IAS (International Accounting Standard) 34: Interim Financial Reporting.

The comparative figures included for the Statement of Financial Position relate to the previous year ended 30 September 2019, while the comparative figures included for the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flow relate to the six month period ended 31 March 2019.

The accounting policies used in the preparation of these financial statements are consistent with those used in the Company’s most recent annual financial statements for the year ended 30 September 2019. There have been no changes in accounting policies since the date of the company’s last annual financial statements, for the year ended 30 September 2019. The format of these financial statements differs in some respects from that of the most recent annual financial statements, in that the notes to the financial statements are presented in a summary form.

For these Financial Statements a separate valuation was prepared for each Fund at last traded prices to close of business 31 March 2020. A reconciliation between the last dealing NAV of the period, 31 March 2020 and the NAV used for Financial Statements purposes is provided in note 8.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**3. 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.

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, but 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.

The dividends paid for the period ended 31 March 2020 were as follows (Share Class represents the names of the Share Classes in existence as at the period ended 31 March 2020):

<b>Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Gross Amount</b>
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

The distributions payable at 31 March 2020 amounted to USD 4,999,496 (30 September 2019: USD 28,656,884).

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**3. Distributions (continued)**

The dividends paid for the year ended 30 September 2019 were as follows (Share Class represents the names of the Share Classes in existence as at the year ended 30 September 2019):

<b>Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Gross Amount</b>
Veritas Asian Fund	EUR A Class Shares	30 September 2019	EUR 139,399
Veritas Asian Fund	GBP A Class Shares	30 September 2019	GBP 1,275,085
Veritas Asian Fund	USD A Class Shares	30 September 2019	USD 741,045
Veritas Asian Fund	EUR B Class Shares	30 September 2019	EUR 200
Veritas Asian Fund	GBP B Class Shares	30 September 2019	GBP 7,490
Veritas Asian Fund	USD B Class Shares	30 September 2019	USD 39,314
Veritas Asian Fund	EUR D Class Shares*	30 September 2019	EUR 32,812
Veritas Asian Fund	GBP D Class Shares	30 September 2019	GBP 2,918,162
Veritas Asian Fund	USD D Class Shares	30 September 2019	USD 707,410
Veritas Global Focus Fund	EUR A Class Shares	30 September 2019	EUR 350,618
Veritas Global Focus Fund	GBP A Class Shares	30 September 2019	GBP 1,088,136
Veritas Global Focus Fund	USD A Class Shares	30 September 2019	USD 733,794
Veritas Global Focus Fund	EUR D Class Shares	30 September 2019	EUR 5,601
Veritas Global Focus Fund	GBP D Class Shares	30 September 2019	GBP 2,226,995
Veritas Global Focus Fund	USD D Class Shares	30 September 2019	USD 358,756
Veritas Global Equity Income Fund	EUR A Class Shares	31 March 2019	EUR 79,507
Veritas Global Equity Income Fund	GBP A Class Shares	31 March 2019	GBP 1,512,622
Veritas Global Equity Income Fund	USD A Class Shares	31 March 2019	USD 104,925
Veritas Global Equity Income Fund	EUR B Class Shares	31 March 2019	EUR 13,002
Veritas Global Equity Income Fund	GBP B Class Shares	31 March 2019	GBP 109,094
Veritas Global Equity Income Fund	USD B Class Shares	31 March 2019	USD 260,394
Veritas Global Equity Income Fund	EUR D Class Shares	31 March 2019	EUR 25,284
Veritas Global Equity Income Fund	GBP D Class Shares	31 March 2019	GBP 3,665,939
Veritas Global Equity Income Fund	USD D Class Shares	31 March 2019	USD 122,064
Veritas Global Equity Income Fund	USD E Class Shares	31 March 2019	USD 23,103
Veritas Global Equity Income Fund	EUR A Class Shares	30 September 2019	EUR 166,906
Veritas Global Equity Income Fund	GBP A Class Shares	30 September 2019	GBP 2,966,621
Veritas Global Equity Income Fund	USD A Class Shares	30 September 2019	USD 139,884
Veritas Global Equity Income Fund	EUR B Class Shares	30 September 2019	EUR 23,991
Veritas Global Equity Income Fund	GBP B Class Shares	30 September 2019	GBP 213,321
Veritas Global Equity Income Fund	USD B Class Shares	30 September 2019	USD 450,779
Veritas Global Equity Income Fund	EUR D Class Shares	30 September 2019	EUR 65,904
Veritas Global Equity Income Fund	GBP D Class Shares	30 September 2019	GBP 7,841,100
Veritas Global Equity Income Fund	USD D Class Shares	30 September 2019	USD 220,511
Veritas Global Equity Income Fund	USD E Class Shares	30 September 2019	USD 49,053

\* Launched: 15 October 2018

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**3. Distributions (continued)**

<b>Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Gross Amount</b>
Veritas China Fund	EUR A Class Shares	30 September 2019	EUR 25
Veritas China Fund	GBP A Class Shares	30 September 2019	GBP 5,550
Veritas China Fund	USD A Class Shares	30 September 2019	USD 20,909
Veritas Global Real Return Fund	EUR A Class Shares	30 September 2019	EUR 6,553
Veritas Global Real Return Fund	GBP A Class Shares	30 September 2019	GBP 75,045
Veritas Global Real Return Fund	EUR D Class Shares	30 September 2019	EUR 29,637
Veritas Global Real Return Fund	GBP D Class Shares	30 September 2019	GBP 362,327
Veritas Global Real Return Fund	USD D Class Shares	30 September 2019	USD 78,518
Veritas Global Real Return Fund	EUR E Class Shares	30 September 2019	EUR 9,915
Veritas Izoard Fund	GBP C Class Shares	30 September 2019	GBP 519,666
Veritas Izoard Fund	USD C Class Shares	30 September 2019	USD 224,339

**4. Derivatives**

The Company may employ techniques and instruments including but not limited to futures, options, forward contracts and contracts for difference (described below) relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes and for investment purposes.

*Contracts for difference*

Contracts for difference (CFD's) result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to possible movement in securities values underlying these instruments. In addition, a high degree of leverage may be typical. As a result, a relatively small price movement in a contract may result in substantial losses to the Company. The fair value of contracts for difference entered into by the Company as at 31 March 2020 are disclosed in the Schedule of Investments.

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 account 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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**4. Derivatives (continued)**

*Forward contracts*

The Sub-Funds are authorised for purposes of efficient portfolio management to enter into forward currency 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. Forward contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Forward contracts are individually traded over-the-counter contracts. Forward contracts result in credit exposure to the counterparty.

Forward contracts result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to the possible movement in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a forward trading account. As a result, a relatively small price movement in an underlying of forward contract may result in substantial losses to the Company.

Notional amounts are the underlying reference amounts to stock exchange indices, equities and foreign currencies upon which the fair value of the forward contracts traded by the Company are based. While notional amounts do not represent the current fair value and are not necessarily indicative of the future cash flows of the Company's forward contracts, the underlying price changes in relation to the variables specified by the notional amounts affect the fair value of these derivative financial instruments. The fair value of forward currency contracts entered into by the Company as at 31 March 2020 are disclosed in the Schedule of Investments.

Realised gains and losses are recorded in the Statement of Comprehensive Income at the time the forward currency contract settles. Realised and unrealised gains and losses applicable to forward currency contracts entered into a Sub-Fund level are allocated at Sub-Fund level. In relation to class specific forward currency contracts, the realised and unrealised gains and losses and transaction costs are allocated solely to those share classes.

*Futures*

Futures are contracts for delayed delivery of commodities or financial instruments, 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 other income dependent upon settlement terms of the contracts held. The fair value of futures entered into by the Company as at 31 March 2020 are disclosed in the Schedule of Investments.

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**5. 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 31 March 2020:

**Veritas Asian Fund**

<b>31 March 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	2,660,923,252	–	–	2,660,923,252
<b>Total</b>	<b>2,660,923,252</b>	<b>–</b>	<b>–</b>	<b>2,660,923,252</b>

**Veritas Global Focus Fund**

<b>31 March 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3* USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	2,849,010,617	–	–	2,849,010,617
Forward Currency Contracts	–	271,366	–	271,366
<b>Total</b>	<b>2,849,010,617</b>	<b>271,366</b>	<b>–</b>	<b>2,849,281,983</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward Currency Contracts	–	(621,249)	–	(621,249)
<b>Total</b>	<b>–</b>	<b>(621,249)</b>	<b>–</b>	<b>(621,249)</b>

\*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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

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

**Veritas Global Equity Income Fund**

<b>31 March 2020</b>	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3* GBP</b>	<b>Total GBP</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	334,336,257	–	–	334,336,257
Forward Currency Contracts	–	62,759	–	62,759
<b>Total</b>	<b>334,336,257</b>	<b>62,759</b>	<b>–</b>	<b>334,399,016</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward Currency Contracts	–	(14,636)	–	(14,636)
<b>Total</b>	<b>–</b>	<b>(14,636)</b>	<b>–</b>	<b>(14,636)</b>

\*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 China Fund**

<b>31 March 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	18,519,087	–	–	18,519,087
Bond	–	582,303	–	582,303
<b>Total</b>	<b>18,519,087</b>	<b>582,303</b>	<b>–</b>	<b>19,101,390</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Contracts for Difference	–	(93,402)	–	(93,402)
<b>Total</b>	<b>–</b>	<b>(93,402)</b>	<b>–</b>	<b>(93,402)</b>



**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

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

**Veritas Global Real Return Fund**

31 March 2020	Level 1 GBP	Level 2 GBP	Level 3* GBP	Total GBP
<b>Financial assets at fair value through profit or loss</b>				
Equities	278,530,986	–	–	278,530,986
Forward Currency Contracts	–	3,425,960	–	3,425,960
<b>Total</b>	<b>278,530,986</b>	<b>3,425,960</b>	–	<b>281,956,946</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Future Contracts	(7,739,807)	–	–	(7,739,807)
Forward Currency Contracts	–	(637,247)	–	(637,247)
<b>Total</b>	<b>(7,739,807)</b>	<b>(637,247)</b>	–	<b>(8,377,054)</b>

\*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 Izoard Fund**

31 March 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equities	56,557,442	–	–	56,557,442
<b>Total</b>	<b>56,557,442</b>	–	–	<b>56,557,442</b>

**Veritas Third Eye Global Emerging Markets Fund**

31 March 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
Equities	6,751,913	–	–	6,751,913
Equity Warrants	–	513,934	–	513,934
<b>Total</b>	<b>6,751,913</b>	<b>513,934</b>	–	<b>7,265,847</b>

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**5. 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 2019:

**Veritas Asian Fund**

<b>30 September 2019</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	1,927,894,936	-	-	1,927,894,936
Equity Warrants	-	7,740,390	-	7,740,390
Contracts for Difference	-	1,663,782	-	1,663,782
<b>Total</b>	<b>1,927,894,936</b>	<b>9,404,172</b>	<b>-</b>	<b>1,937,299,108</b>

**Veritas Global Focus Fund**

<b>30 September 2019</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3* USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	2,795,989,897	-	-	2,795,989,897
Forward Currency Contracts	-	3,764	-	3,764
<b>Total</b>	<b>2,795,989,897</b>	<b>3,764</b>	<b>-</b>	<b>2,795,993,661</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward Currency Contracts	-	(27,770)	-	(27,770)
<b>Total</b>	<b>-</b>	<b>(27,770)</b>	<b>-</b>	<b>(27,770)</b>

\*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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

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

**Veritas Global Equity Income Fund**

<b>30 September 2019</b>	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3* GBP</b>	<b>Total GBP</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	491,072,424	-	-	491,072,424
Forward Currency Contracts	-	90	-	90
<b>Total</b>	<b>491,072,424</b>	<b>90</b>	-	<b>491,072,514</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Forward Currency Contracts	-	(14,686)	-	(14,686)
<b>Total</b>	-	<b>(14,686)</b>	-	<b>(14,686)</b>

**Veritas China Fund**

<b>30 September 2019</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Bond	-	582,163	-	582,163
Equities	11,560,260	-	-	11,560,260
<b>Total</b>	<b>11,560,260</b>	<b>582,163</b>	-	<b>12,142,423</b>

**Veritas Global Real Return Fund**

<b>30 September 2019</b>	<b>Level 1 GBP</b>	<b>Level 2 GBP</b>	<b>Level 3* GBP</b>	<b>Total GBP</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	230,768,211	-	-	230,768,211
Future Contracts	744,512	-	-	744,512
Forward Currency Contracts	-	30,998	-	30,998
<b>Total</b>	<b>231,512,723</b>	<b>30,998</b>	-	<b>231,543,721</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Future Contracts	(105,593)	-	-	(105,593)
Forward Currency Contracts	-	(749,718)	-	(749,718)
<b>Total</b>	<b>(105,593)</b>	<b>(749,718)</b>	-	<b>(855,311)</b>

\*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 SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

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

**Veritas Izoard Fund**

<b>30 September 2019</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	51,958,313	-	-	51,958,313
<b>Total</b>	<b>51,958,313</b>	<b>-</b>	<b>-</b>	<b>51,958,313</b>

**Veritas Third Eye Global Emerging Markets Fund\***

<b>30 September 2019</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
Equities	2,216,647	-	-	2,216,647
Equity Warrants	-	273,827	-	273,827
<b>Total</b>	<b>2,216,647</b>	<b>273,827</b>	<b>-</b>	<b>2,490,474</b>

\* Launched: 1 July 2019

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

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

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.

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. The fair value measurement of level 3 investments does not include transaction costs that may have been capitalised as part of the security's cost basis. 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 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 period ended 31 March 2020 (30 September 2019: 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.

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**6. Exchange rates**

The following exchange rates were used to translate assets and liabilities into the functional currency (USD) at 31 March 2020 and 30 September 2019 for the Veritas Asian Fund, Veritas Global Focus Fund, Veritas China Fund, Veritas Izoard Fund and the Veritas Third Eye Global Emerging Markets Fund.

	<b>31 March 2020</b>	<b>30 September 2019</b>
Australian Dollar	1.64163	1.48104
British Pound	0.80906	0.81301
Chinese Yuan	7.10900	7.14340
Danish Krona	6.82320	6.83570
Euro	0.91333	0.91563
Hong Kong Dollar	7.75260	7.83965
Indian Rupee	75.39500	70.82750
Korean Won	1,224.84000	1,198.37000
Mexican Peso	23.69900	-
New Taiwanese Dollar	30.29200	31.05700
Norwegian Krone	10.47860	-
Swedish Krona	10.12870	9.80980
Swiss Franc	0.96565	0.99520
Thai Baht	32.79500	30.58500

The following exchange rates were used to translate assets and liabilities into the functional currency (GBP) at 31 March 2020 and 30 September 2019 for the Veritas Global Equity Income Fund and Veritas Global Real Return Fund.

	<b>31 March 2020</b>	<b>30 September 2019</b>
Australian Dollar	2.02906	1.82168
Euro	1.12887	1.12622
Hong Kong Dollar	9.58221	9.64277
Singapore Dollar	1.76217	1.70091
South African Rand	22.0420	18.71753
Swedish Krona	12.51907	12.06605
Swiss Franc	1.19354	1.22410
US Dollar	1.23600	1.23000

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**7. Related parties and connected persons**

**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-depositarys 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 negotiated 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.

Mr Richard Grant is partner of the Investment Manager and as such has an interest in the relationship between the Company and the Investment Manager. Mr Richard Grant is also director of Veritas Asset Management (Asia) Ltd, a sub-advisor to the Investment Manager on Veritas Asian Fund and Veritas China Fund. Mr Richard Grant held shares 17,716 (30 September 2019: 17,286) in Veritas Global Equity Income Fund, 5,567 shares (30 September 2019: 5,561) in Veritas China Fund, 204,421 shares (30 September 2019: 204,198) in Veritas Global Real Return Fund, 10,323 shares (30 September 2019: 10,181) in Veritas Izoard Fund and 2,500 shares (30 September 2019: 2,500) in Veritas Third Eye Global Emerging Markets Fund. Mrs Catherine Grant, wife of Director Mr Richard Grant held 5,299 shares (30 September 2019: 5,275) in Veritas Global Focus Fund.

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 Principle of KB Associates.

Veritas Asset Management LLP, the Investment Manager, is a related party under the IAS 24 “Related Party Disclosures”. Fees payable to these parties and the amounts due at the period end are shown on the Statement of Financial Position and Statement of Comprehensive Income.

**8. 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.

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

Reconciliation between dealing NAV as at 12pm on 31 March 2020 and Financial Statements NAV as at close of business 31 March 2020:

<b>2020</b>	<b>Veritas Asian Fund USD</b>	<b>Veritas Global Focus Fund USD</b>	<b>Veritas Global Equity Income Fund GBP</b>	<b>Veritas China Fund USD</b>
Dealing NAV (31 March 2020) at Mid prices at 12 pm	2,831,036,438	2,887,223,761	342,817,647	23,060,139
Adjustment for as of dealing	3,062,500	1,244,270	241,271	143,073
Change in Net Asset value due to price change from 12 pm to close of business	7,996,049	(11,955,152)	1,399,171	(53,020)
NAV as per Valuations (31 March 2020) at last traded prices at close of business	<u>2,842,094,987</u>	<u>2,876,512,879</u>	<u>344,458,089</u>	<u>23,150,192</u>

<b>2020</b>	<b>Veritas Global Real Return Fund GBP</b>	<b>Veritas Izoard Fund USD</b>	<b>Veritas Third Eye Global Emerging Markets Fund USD</b>
Dealing NAV (31 March 2020) at Mid prices at 12 pm	293,249,075	57,869,544	11,048,772
Adjustment for as of dealing	(557,089)	1,726	(12,006)
Change in Net Asset value due to price change from 12 pm to close of business	(2,112,091)	(291,614)	19,587
NAV as per Valuations (31 March 2020) at last traded prices at close of business	<u>290,579,895</u>	<u>57,579,656</u>	<u>11,056,353</u>



**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

Reconciliation between dealing NAV as at 12pm on 30 September 2019 and Financial Statements NAV as at close of business 30 September 2019:

<b>2019</b>	<b>Veritas Asian Fund USD</b>	<b>Veritas Global Focus Fund USD</b>	<b>Veritas Global Equity Income Fund GBP</b>	<b>Veritas China Fund USD</b>
Dealing NAV (30 September 2019) at Mid prices at 12 pm	2,396,338,538	3,343,496,199	554,484,241	23,865,767
Adjustment for as of dealing	(1,071,796)	(29,247,891)	(41,806,752)	4,955
Change in Net Asset value due to price change from 12 pm to close of business	211,224	13,655,369	413,694	31,685
NAV as per Valuations (30 September 2019) at last traded prices at close of business	<u>2,395,477,966</u>	<u>3,327,903,677</u>	<u>513,091,183</u>	<u>23,902,407</u>

<b>2019</b>	<b>Veritas Global Real Return Fund GBP</b>	<b>Veritas Izoard Fund USD</b>	<b>Veritas Third Eye Global Emerging Markets Fund USD</b>
Dealing NAV (30 September 2019) at Mid prices at 12 pm	294,163,014	62,066,619	12,377,699
Adjustment for as of dealing	60,258	6,376	(3,751)
Change in Net Asset value due to price change from 12 pm to close of business	522,063	226,303	8,536
NAV as per Valuations (30 September 2019) at last traded prices at close of business	<u>294,745,335</u>	<u>62,299,298</u>	<u>12,382,484</u>

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Asian Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD A Class Shares	425.76	125,421,813	294,581
GBP A Class Shares	639.71	231,759,141	362,285
EUR A Class Shares	443.12	25,941,170	58,542
USD B Class Shares	294.86	50,850,104	172,458
GBP B Class Shares	469.56	8,062,899	17,171
EUR B Class Shares	325.48	250,616	770
USD C Class Shares	434.23	1,415,434,772	3,259,608
GBP C Class Shares	654.30	172,415,802	263,512
EUR C Class Shares	448.51	6,279,522	14,001
USD D Class Shares	424.87	230,298,567	542,047
GBP D Class Shares	639.97	381,322,177	595,843
EUR D Class Shares	443.67	3,376,307	7,610

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD A Class Shares	462.19	137,815,802	298,183
GBP A Class Shares	697.83	236,810,940	339,355
EUR A Class Shares	482.24	26,615,980	55,193
USD B Class Shares	320.88	52,739,586	164,358
GBP B Class Shares	513.51	9,230,660	17,976
EUR B Class Shares	354.99	273,421	770
USD C Class Shares	470.79	1,099,385,551	2,335,190
GBP C Class Shares	712.84	176,843,239	248,082
EUR C Class Shares	487.80	347,791	713
USD D Class Shares	460.64	91,184,920	197,955
GBP D Class Shares	697.23	373,887,544	536,246
EUR D Class Shares	482.21	4,188,986	8,687

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Asian Fund (continued)**

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD A Class Shares	441.64	163,817,399	370,932
GBP A Class Shares	628.95	316,754,456	503,627
EUR A Class Shares	433.27	29,351,731	67,745
USD B Class Shares	306.74	54,295,624	177,009
GBP B Class Shares	463.03	8,428,540	18,203
EUR B Class Shares	319.08	245,757	770
USD C Class Shares	446.33	775,954,933	1,738,530
GBP C Class Shares	637.43	142,987,653	224,320
EUR C Class Shares	434.58	66,925	154
USD D Class Shares	440.10	207,379,565	471,207
GBP D Class Shares	627.99	197,291,450	314,164

**Veritas Global Focus Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD A Class Shares	31.84	139,428,920	4,379,536
GBP A Class Shares	43.74	209,317,001	4,785,579
EUR A Class Shares	17.68	72,438,964	4,098,009
USD B Class Shares	22.68	7,060,131	311,235
GBP B Class Shares	33.02	4,664,667	141,273
EUR B Class Shares	20.80	135,568	6,518
USD C Class Shares	35.33	514,583,103	14,563,355
GBP C Class Shares	48.41	1,170,900,148	24,188,533
EUR C Class Shares	32.57	110,273,311	3,385,603
USD D Class Shares	33.02	50,582,983	1,531,784
GBP D Class Shares	45.34	196,289,863	4,329,447
EUR D Class Shares	30.37	1,719,966	56,630
NOK E Class Shares	285.75	88,505,059	309,733

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Global Focus Fund (continued)**

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD A Class Shares	35.53	168,097,604	4,731,102
GBP A Class Shares	49.05	250,005,500	5,096,724
EUR A Class Shares	19.78	80,350,591	4,062,776
USD B Class Shares	25.38	7,949,100	313,207
GBP B Class Shares	37.12	5,297,153	142,694
EUR B Class Shares	23.33	164,199	7,039
USD C Class Shares	39.38	511,159,241	12,978,826
GBP C Class Shares	54.22	1,348,671,817	24,874,395
EUR C Class Shares	36.40	131,602,179	3,615,816
USD D Class Shares	36.81	53,267,353	1,447,180
GBP D Class Shares	50.78	307,065,723	6,046,869
EUR D Class Shares	33.94	833,750	24,565
NOK E Class Shares	320.82	38,823,339	121,011

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD A Class Shares	34.25	164,485,447	4,802,123
GBP A Class Shares	44.60	246,437,649	5,525,274
EUR A Class Shares	17.93	65,960,583	3,678,858
USD B Class Shares	24.48	8,362,793	341,583
GBP B Class Shares	33.78	5,040,152	149,211
EUR B Class Shares	21.16	148,844	7,034
USD C Class Shares	37.71	499,270,294	13,241,116
GBP C Class Shares	48.96	1,376,224,491	28,107,787
EUR C Class Shares	32.77	151,426,792	4,621,444
USD D Class Shares	35.48	44,870,194	1,264,729
GBP D Class Shares	46.17	343,853,972	7,447,965
EUR D Class Shares	30.76	562,972	18,302

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Global Equity Income Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD A Class Shares	105.13	4,351,972	41,396
GBP A Class Shares	164.77	61,464,667	373,031
EUR A Class Shares	188.03	6,029,790	32,069
USD B Class Shares	101.94	13,560,214	133,023
GBP B Class Shares	148.22	6,648,704	44,856
EUR B Class Shares	168.70	760,310	4,507
USD C Class Shares	149.60	1,077,304	7,201
GBP C Class Shares	235.61	21,192,781	89,947
EUR C Class Shares	268.89	209,193	778
USD D Class Shares	110.46	7,088,365	64,173
GBP D Class Shares	173.86	224,734,018	1,292,623
EUR D Class Shares	195.57	1,944,986	9,945
USD E Class Shares	128.22	1,725,601	13,458

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD A Class Shares	127.95	5,775,906	45,143
GBP A Class Shares	201.26	78,595,103	390,513
EUR A Class Shares	229.22	6,796,619	29,651
USD B Class Shares	124.40	18,666,886	150,050
GBP B Class Shares	181.58	8,759,306	48,239
EUR B Class Shares	206.29	988,197	4,790
USD C Class Shares	179.33	56,281,011	313,840
GBP C Class Shares	283.83	25,051,403	88,263
EUR C Class Shares	323.01	142,293	441
USD D Class Shares	134.25	9,092,129	67,726
GBP D Class Shares	212.04	316,583,722	1,493,035
EUR D Class Shares	238.07	2,668,871	11,210
USD E Class Shares	155.96	2,056,693	13,187

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Global Equity Income Fund (continued)**

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD A Class Shares	132.07	12,873,613	97,478
GBP A Class Shares	195.93	144,707,240	738,552
EUR A Class Shares	222.46	7,486,045	33,652
USD B Class Shares	129.06	28,930,460	224,153
GBP B Class Shares	177.68	11,081,628	62,369
EUR B Class Shares	201.22	1,780,925	8,850
USD C Class Shares	178.21	52,049,827	292,074
GBP C Class Shares	266.03	28,855,906	108,467
EUR C Class Shares	301.87	734,855	2,434
USD D Class Shares	138.22	11,091,124	80,245
GBP D Class Shares	205.90	365,505,051	1,775,149
EUR D Class Shares	230.46	2,257,834	9,797
USD E Class Shares	150.43	3,593,907	23,892

**Veritas China Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD A Class Shares	149.35	16,446,731	110,125
GBP A Class Shares	161.03	4,666,634	28,980
EUR A Class Shares	146.86	10,280	70
GBP B Class Shares	153.21	695,565	4,540
EUR B Class Shares	146.97	58,935	401

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD A Class Shares	151.86	16,961,277	111,693
GBP A Class Shares	164.54	4,832,114	29,367
EUR A Class Shares	149.63	22,063	148
GBP B Class Shares	156.94	709,724	4,522
EUR B Class Shares	150.03	92,087	614

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas China Fund (continued)**

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD A Class Shares	147.35	15,756,334	106,929
GBP A Class Shares	149.43	4,325,416	28,946
EUR A Class Shares	137.39	188,164	1,370
GBP B Class Shares	143.05	505,157	3,531
EUR B Class Shares	138.29	322,694	2,333

**Veritas Global Real Return Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD A Class Shares	30.90	17,349,811	561,490
GBP A Class Shares	16.98	60,079,100	3,537,395
EUR A Class Shares	16.71	14,628,835	875,516
USD B Class Shares	29.36	5,730,418	195,150
GBP B Class Shares	16.36	4,486,486	274,289
EUR B Class Shares	17.54	1,047,883	59,748
USD D Class Shares	30.93	50,969,235	1,648,047
GBP D Class Shares	17.05	135,823,401	7,967,893
EUR D Class Shares	16.77	12,973,473	773,760
USD E Class Shares*	29.59	1,793,119	60,608
EUR E Class Shares	17.51	3,894,679	222,469

\* Launched: 29 November 2019

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD A Class Shares	32.11	18,812,871	585,960
GBP A Class Shares	17.69	68,836,575	3,890,680
EUR A Class Shares	17.56	7,669,973	436,861
USD B Class Shares	30.59	6,555,819	214,320
GBP B Class Shares	17.08	5,339,580	312,586
EUR B Class Shares	18.48	1,044,035	56,508
USD D Class Shares	32.13	37,260,764	1,159,797
GBP D Class Shares	17.74	145,463,303	8,197,748
EUR D Class Shares	17.61	15,219,081	864,044
EUR E Class Shares	18.18	3,307,468	181,922

**VERITAS FUNDS PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

**8. Net asset value (continued)**

**Veritas Global Real Return Fund (continued)**

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD A Class Shares	29.27	47,063,463	1,607,698
GBP A Class Shares	16.37	72,413,045	4,423,853
EUR A Class Shares	16.50	3,627,799	219,860
USD B Class Shares	28.04	6,793,329	242,269
GBP B Class Shares	15.87	3,781,954	238,376
EUR B Class Shares	17.44	3,081,105	176,629
USD D Class Shares	29.33	24,226,104	826,078
GBP D Class Shares	16.42	87,278,302	5,316,745
EUR D Class Shares	16.54	10,186,500	615,724
EUR E Class Shares	16.77	1,346,911	80,296

**Veritas Izoard Fund**

<b>Share Class</b>	<b>NAV Per Share 31 March 2020</b>	<b>Total NAV 31 March 2020</b>	<b>Units in issue 31 March 2020</b>
USD C Class Shares	114.95	14,527,529	126,384
GBP C Class Shares	146.29	34,831,818	238,094

<b>Share Class</b>	<b>NAV Per Share 30 September 2019</b>	<b>Total NAV 30 September 2019</b>	<b>Units in issue 30 September 2019</b>
USD C Class Shares	124.30	16,183,364	130,195
GBP C Class Shares	158.97	37,492,630	235,847

<b>Share Class</b>	<b>NAV Per Share 30 September 2018</b>	<b>Total NAV 30 September 2018</b>	<b>Units in issue 30 September 2018</b>
USD C Class Shares	119.59	18,426,165	154,081
GBP C Class Shares	144.26	33,940,308	235,273



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020  
(CONTINUED)

**8. Net asset value (continued)**

**Veritas Third Eye Global Emerging Markets Fund**

	NAV Per Share 31 March 2020	Total NAV 31 March 2020	Units in issue 31 March 2020
Share Class			
USD A Class Shares	87.72	5,561,673	63,399
GBP A Class Shares	89.69	4,445,534	49,564

	NAV Per Share 30 September 2019	Total NAV 30 September 2019	Units in issue 30 September 2019
Share Class			
USD A Class Shares	98.82	6,264,913	63,399
GBP A Class Shares	101.53	4,973,635	48,989

**9. Soft commissions**

The Company has not entered into any soft commission arrangements during the period.

**10. Cross liability**

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

**11. Significant matters arising during the period**

Mr Ian Barnes resigned from position of director of the Company on 15 January 2020.

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.

There were no other significant events during the period.

**12. Subsequent events**

There were no significant events subsequent to the period-end.

**13. Approval of financial statements**

The Financial Statements were approved by the Board of Directors on 13 May 2020.

**VERITAS FUNDS PLC**

**VERITAS ASIAN FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Largest purchases</b>	<b>Units</b>	<b>Cost (USD)</b>
Aier Eye Hospital Group Co. Ltd.	7,599,645	44,293,646
Alibaba Group Holding Ltd. ADR	155,000	30,496,130
Alibaba Health Information Technology Ltd.	22,000,000	33,551,697
Aristocrat Leisure Ltd.	1,600,000	36,667,211
Centre Testing International Group Co. Ltd.	10,999,851	24,827,214
China Gas Holdings Ltd.	8,000,000	31,616,017
Cochlear Ltd.	120,000	17,605,922
CSL Ltd.	180,000	35,799,692
Goodman Group	7,100,000	69,376,115
Hangzhou Tigermed Consulting Co. Ltd.	4,999,772	51,432,263
IndusInd Bank Ltd.	1,100,000	22,466,934
Jiangsu Hengrui Medicine Co. Ltd.	2,999,846	37,416,610
JP Morgan US Dollar Liquidity Fund	35,977,160	35,977,160
Kweichow Moutai Co. Ltd.	834,780	134,614,795
Luckin Coffee Inc.	850,000	29,674,280
Maruti Suzuki India	200,000	20,304,159
Meituan Dianping	8,800,000	115,947,928
Morgan Stanley US Dollar Liquidity Fund	45,903,587	45,903,587
New Oriental Education & Technology Group, Inc.	360,000	46,678,987
ResMed, Inc.	1,500,000	20,686,705
Samsung Electronics Co. Ltd.	3,200,000	146,293,664
Sea Ltd.	1,035,716	48,306,365
Shenzhen Mindray Bio-Medical Electronics Co. Ltd.	599,886	22,745,954
Taiwan Semiconductor Manufacturing Co. Ltd.	3,600,000	36,068,619
TAL Education Group	1,450,000	79,649,582
Techtronic Industries Co. Ltd.	2,250,000	17,760,337
Tencent Holdings Ltd.	1,400,000	68,722,364
Titan Co. Ltd.	2,600,000	44,220,776
Transurban Group	5,000,000	50,058,357
Wuliangye Yibin Co. Ltd.	1,999,846	35,991,841
Wuxi Biologics Cayman, Inc.	2,900,000	43,040,330
Yihai International Holding Ltd.	3,100,000	21,199,465

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

**VERITAS FUNDS PLC**

**VERITAS ASIAN FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

<b>Largest sales</b>	<b>Units</b>	<b>Proceeds (USD)</b>
Asian Paints	1,000,000	25,083,669
BeiGene	600,000	9,319,911
Cochlear Ltd.	70,000	11,476,611
CSL Ltd.	50,000	8,586,712
Ctrip.com International	600,000	18,091,240
Hindustan Unilever Ltd.	450,000	13,185,728
IndusInd Bank Ltd.	2,500,000	14,311,499
JP Morgan US Dollar Liquidity Fund	60,000,000	60,000,000
Kasikornbank	5,000,000	23,975,767
LG Household & Health Care	69,235	76,896,729
Luckin Coffee Inc.	850,000	28,067,469
Maruti Suzuki India	920,000	89,926,868
Morgan Stanley US Dollar Liquidity Fund	75,011,160	75,011,160
Ping An Insurance Group Co of China	7,000,000	77,437,458
Prada SpA	4,100,000	15,033,231
Samsung Biologics	40,000	13,737,444
Shenzhen Airport	13,999,813	17,968,446
Shenzhou International Group Holdings	2,700,000	37,784,030
Treasury Wine Estates	2,282,700	18,900,156
Trip.Company Group Ltd.	475,000	14,790,503
Zhejiang Supor Cookware	2,649,780	28,529,584

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

**VERITAS FUNDS PLC**

**VERITAS GLOBAL FOCUS FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Largest purchases</b>	<b>Units</b>	<b>Cost (USD)</b>
Abbott Laboratories	831,400	64,951,709
Airbus SE	445,300	52,002,937
Alibaba Group Holding Ltd. ADR	367,100	70,804,746
Alphabet, Inc.	12,500	18,167,949
Altice USA, Inc.	4,638,550	121,654,993
Baxter International, Inc.	284,516	22,441,081
Becton Dickinson & Co.	283,000	62,000,342
Canadian Pacific Railway Ltd.	107,000	23,312,164
Cigna Corp.	211,500	43,369,267
Cochlear Ltd.	567,100	51,929,426
Cooper Cos, Inc.	73,300	21,851,081
CVS Health Corp.	435,800	26,814,523
Facebook, Inc.	127,000	26,116,916
Intercontinental Exchange, Inc.	390,800	36,042,537
JP Morgan US Dollar Liquidity Fund	33,225,362	33,225,362
Mastercard, Inc.	374,800	87,108,889
Morgan Stanley US Dollar Liquidity Fund	33,202,693	33,202,693
Raytheon Co.	661,900	141,378,790
Sonic Healthcare Ltd.	855,900	11,805,747
Svenska Handelsbanken AB	1,954,000	20,194,323
UnitedHealth Group, Inc.	51,700	11,183,880
<b>Total sales</b>	<b>Units</b>	<b>Proceeds (USD)</b>
Capita PLC	7,765,668	15,928,577
Comcast	1,552,231	68,577,727
Dentsply Sirona	1,743,193	71,260,874
JP Morgan US Dollar Liquidity Fund	193,791,402	193,791,402
Microsoft	721,152	119,592,455
Morgan Stanley US Dollar Liquidity Fund	194,080,269	194,080,269
Rolls-Royce Holdings	7,031,241	64,128,316
S&P Global	383,617	104,224,302
Sonic Healthcare Ltd.	1,632,400	34,107,235
Thermo Fisher Scientific, Inc.	170,500	56,872,956
UnitedHealth Group, Inc.	63,000	16,932,050

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

**VERITAS FUNDS PLC**

**VERITAS GLOBAL EQUITY INCOME FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Total purchases</b>	<b>Units</b>	<b>Cost (GBP)</b>
BAE Systems PLC	417,200	2,378,040
Cisco Systems, Inc.	478,900	14,827,420
Diageo PLC	453,500	10,115,208
Ferguson PLC	226,300	10,661,393
JP Morgan GBP Liquidity Fund	13,024,960	13,024,960
Morgan Stanley GBP Liquidity Fund	13,022,788	13,022,788
MSC Industrial Direct Co., Inc.	58,400	3,394,215
Vivendi S.A.	1,104,300	22,172,587

<b>Largest sales</b>	<b>Units</b>	<b>Proceeds (GBP)</b>
Ascendas Real Estate Investment Trust	4,589,055	7,366,985
Capita PLC	5,643,233	9,486,062
ConvaTec Group PLC	8,490,800	15,957,747
JP Morgan GBP Liquidity Fund	25,000,000	25,000,000
Morgan Stanley GBP Liquidity Fund	25,000,147	25,000,147
Nestle SA	93,800	7,818,991
NetLink NBN Trust	7,601,200	4,091,499
Pfizer, Inc.	230,400	6,113,162
Philip Morris International, Inc.	92,600	6,088,023
Prudential PLC	616,600	8,430,621
Reckitt Benckiser Group PLC	93,600	5,417,938
Safran SA	66,900	7,551,520
Sanofi	136,400	10,082,249
Singapore Telecommunications Ltd.	844,700	1,584,408
Sonic Healthcare Ltd.	1,357,700	20,242,527
Svenska Handelsbanken AB	730,800	4,877,635
Unibail-Rodamco-Westfield	53,800	4,923,414
Unilever NV	142,900	5,989,841
United Overseas Bank Ltd.	150,400	1,723,031
Welltower, Inc.	155,500	9,830,127

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

**VERITAS FUNDS PLC**

**VERITAS CHINA FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Largest purchases</b>	<b>Units</b>	<b>Cost (USD)</b>
Aier Eye Hospital Group Co. Ltd.	100,000	565,620
Anta Sports Products Ltd	125,000	1,139,659
BeiGene Ltd.	4,000	681,485
China Gas Holdings Ltd.	200,000	812,994
Chongqing Fuling Zhacai Group Co. Ltd.	100,000	363,550
Contemporary Amperex Technology Co. Ltd.	60,000	1,338,668
CSPC Pharmaceutical Group Ltd	400,000	1,059,494
ENN Energy Holdings Ltd.	100,000	1,117,915
GSX Techedu Inc.	40,000	1,478,122
Guangdong Marubi Biotechnology Co. Ltd.	129,921	1,263,118
Hangzhou Tigermed Consulting Co. Ltd.	99,950	914,846
Koolearn Technology	200,000	519,539
Li Ning Co. Ltd.	200,000	521,334
Luckin Coffee Inc.	40,000	1,348,416
Luzhou Laojiao Co. Ltd.	60,000	738,865
Meituan Dianping	70,000	966,030
New Oriental Education & Technology Group, Inc.	4,000	529,709
Ping An Healthcare and Technology	100,000	742,482
Skshu Paint Co. Ltd.	59,952	781,321
TAL Education Group	10,000	591,020
Tencent Holdings Ltd.	30,000	1,487,202
Wuxi Biologics Cayman, Inc.	80,000	1,033,419
Yum China Holdings, Inc.	16,000	698,545

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

**VERITAS FUNDS PLC**

**VERITAS CHINA FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

<b>Total sales</b>	<b>Units</b>	<b>Proceeds (USD)</b>
Aier Eye Hospital Group Co. Ltd.	99,994	560,716
AK Medical Holdings	400,000	465,652
Alibaba Group Holding Ltd. ADR	10,000	2,013,949
Anta Sports Products Ltd.	125,000	929,101
CSPC Pharmaceutical Group Ltd.	400,000	920,539
GSX Techedu Inc.	40,000	1,658,808
Guangdong Marubi Biotechnology Co. Ltd.	25,000	271,090
Koolearn Technology	200,000	865,950
Luckin Coffee Inc.	40,000	1,277,856
Morgan Stanley US Dollar Liquidity Fund	2,351,847	2,351,847
Ping An Healthcare and Technology	100,000	1,013,653
Shenzhou International Group Holdings	100,000	1,348,809
Tencent Holdings Ltd.	5,000	253,710
Trip.Company Group Ltd.	25,000	778,448
Xiabu Xiabu Catering Management	500,000	640,670
Yum China Holdings, Inc.	13,000	615,497

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

**VERITAS FUNDS PLC**

**VERITAS GLOBAL REAL RETURN FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Largest purchases</b>	<b>Units</b>	<b>Cost (GBP)</b>
Abbott Laboratories	98,900	5,974,746
Airbus SE	86,300	7,305,634
Alibaba Group Holding Ltd. ADR	47,400	7,193,518
Alphabet, Inc.	2,800	2,834,785
Altice USA, Inc.	596,548	11,690,843
BAE Systems PLC	413,800	2,362,232
Baxter International, Inc.	68,815	4,399,713
Becton Dickinson & Co.	33,900	6,300,828
Canadian Pacific Railway Ltd.	25,300	4,484,658
Cigna Corp.	30,600	4,876,500
Cochlear Ltd.	74,200	5,649,041
Cooper Cos, Inc.	23,300	5,452,611
CVS Health Corp.	86,100	4,203,486
Facebook, Inc.	9,500	1,492,365
Intercontinental Exchange, Inc.	72,000	5,029,296
JP Morgan GBP Liquidity Fund	3,539,332	3,539,332
Mastercard, Inc.	49,600	9,506,566
Morgan Stanley GBP Liquidity Fund	3,538,194	3,538,194
Philip Morris International, Inc.	31,500	2,008,767
Raytheon Co.	87,000	13,624,043
Reckitt Benckiser Group PLC	25,200	1,592,640
Safran SA	30,200	1,888,838
Sonic Healthcare Ltd.	192,000	2,233,545
Svenska Handelsbanken AB	267,200	2,123,286
UnitedHealth Group, Inc.	23,200	4,763,644

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



**VERITAS FUNDS PLC**

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**VERITAS GLOBAL REAL RETURN FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020  
(CONTINUED)**

<b>Total sales</b>	<b>Units</b>	<b>Proceeds (GBP)</b>
Alphabet, Inc.	2,900	2,684,100
Capita PLC	811,851	1,305,615
Comcast	144,500	4,946,435
Dentsply Sirona	155,435	4,770,018
Facebook, Inc.	9,000	1,203,214
JP Morgan GBP Liquidity Fund	16,063,515	16,063,515
Microsoft	76,100	9,630,911
Morgan Stanley GBP Liquidity Fund	16,062,915	16,062,915
Rolls-Royce Holdings	698,359	4,870,893
S&P Global	36,600	7,537,162
Sonic Healthcare Ltd.	156,500	2,514,716
Thermo Fisher Scientific, Inc.	3,400	870,687
UnitedHealth Group, Inc.	8,300	1,744,597

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

**VERITAS FUNDS PLC**

**VERITAS IZOARD FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Total purchases</b>	<b>Units</b>	<b>Cost (USD)</b>
Altice USA, Inc.	129,557	3,405,122
BAE Systems PLC	69,800	514,759
Baxter International, Inc.	27,651	2,115,276
Canadian Pacific Railway Ltd.	2,100	457,527
Cigna Corp.	6,000	1,254,750
Cooper Cos, Inc.	600	178,861
CVS Health Corp.	23,900	1,464,460
Facebook, Inc.	3,300	672,290
Intercontinental Exchange, Inc.	11,300	1,020,759
Mastercard, Inc.	7,400	1,510,931
Morgan Stanley US Dollar Liquidity Fund	46,479	46,479
Raytheon Co.	17,500	3,575,312
Safran SA	2,600	196,943
UnitedHealth Group, Inc.	7,200	1,557,525

<b>Total sales</b>	<b>Units</b>	<b>Proceeds (USD)</b>
Alphabet, Inc.	400	557,325
BAE Systems PLC	45,600	342,133
Comcast	47,600	2,102,974
Morgan Stanley US Dollar Liquidity Fund	5,168,855	5,168,855
Philip Morris International, Inc.	9,200	752,879
S&P Global	9,200	2,499,536
Sonic Healthcare Ltd.	96,900	1,992,460

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

**VERITAS FUNDS PLC**

**VERITAS THIRD EYE GLOBAL EMERGING MARKTES FUND**

**SCHEDULE OF SIGNIFICANT CHANGES IN INVESTMENTS  
FOR THE PERIOD ENDED 31 MARCH 2020**

<b>Largest purchases</b>	<b>Units</b>	<b>Cost (USD)</b>
Abbott Laboratories	5,700	430,046
Airbus SE	3,900	377,475
Alibaba Group Holding Ltd.	19,050	496,441
Beele SAB de CV	137,400	208,623
British American Tobacco PLC	3,000	113,941
Corteva, Inc.	13,500	361,594
Facebook, Inc.	2,800	544,892
Franco-Nevada Corp.	2,100	205,567
Jiangsu Yanghe Brewery Joint-Stock Co. Ltd.	33,300	476,688
Morgan Stanley US Dollar Liquidity Fund	4,763	4,763
Nestle S.A.	1,200	110,493
Network International Holdings PLC	53,000	374,647
Pernod Ricard S.A.	1,600	214,764
Philip Morris International, Inc.	300	21,446
Raytheon Co.	1,575	345,516
Starbucks Corp.	2,000	123,522
Tencent Holdings Ltd.	10,700	463,102
TravelSky Technology Ltd.	136,600	280,679
Unilever NV	2,100	115,838
Wizz Air Holdings PLC	9,800	308,243
<b>Total sales</b>	<b>Units</b>	<b>Proceeds (USD)</b>
JP Morgan US Dollar Liquidity Fund	75,000	75,000
Morgan Stanley US Dollar Liquidity Fund	75,053	75,053

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

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

SUPPLEMENTARY INFORMATION

**1. Total expense ratio**

The total expense ratio for each share class of each Sub-Fund for the period ended 31 March 2020 is as follows:

**Veritas Asian Fund**

USD A Class Shares	1.04%
GBP A Class Shares	1.04%
EUR A Class Shares	1.04%
USD B Class Shares	1.54%
GBP B Class Shares	1.54%
EUR B Class Shares	1.54%
USD C Class Shares	0.79%
GBP C Class Shares	0.79%
EUR C Class Shares	0.81%
USD D Class Shares	0.79%
GBP D Class Shares	0.79%
EUR D Class Shares	0.79%

**Veritas Global Focus Fund**

USD A Class Shares	1.04%
GBP A Class Shares	1.04%
EUR A Class Shares	1.04%
USD B Class Shares	1.54%
GBP B Class Shares	1.54%
EUR B Class Shares	1.54%
USD C Class Shares	0.79%
GBP C Class Shares	0.79%
EUR C Class Shares	0.79%
USD D Class Shares	0.79%
GBP D Class Shares	0.79%
EUR D Class Shares	0.79%
NOK E Class Shares	0.82%

**Veritas Global Equity Income Fund**

USD A Class Shares	1.07%
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	1.56%
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%

SUPPLEMENTARY INFORMATION (CONTINUED)

1. Total expense ratio (continued)

**Veritas Global Equity Income Fund (continued)**

EUR D Class Shares	0.81%
USD E Class Shares	1.56%

**Veritas China Fund**

USD A Class Shares	1.09%
GBP A Class Shares	1.09%
EUR A Class Shares	1.07%
GBP B Class Shares	1.59%
EUR B Class Shares	1.59%

**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	0.90%

**Veritas Izoard Fund**

USD C Class Shares	0.55%
GBP C Class Shares	0.55%

**Veritas Third Eye Global Emerging Markets Fund**

USD A Class Shares	1.21%
GBP A Class Shares	1.21%

\* Launched: 29 November 2019

2. Publications

The Extract Prospectus, the documents of the Company listed in the 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.