VERITAS COMMON CONTRACTUAL FUND

AN OPEN-ENDED UMBRELLA COMMON CONTRACTUAL FUND ESTABLISHED UNDER THE LAWS OF IRELAND PURSUANT TO THE EUROPEAN COMMUNITIES (UNDERTAKINGS FOR COLLECTIVE INVESTMENT OF TRANSFERABLE SECURITIES) REGULATIONS 2019

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

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Peadar De Barra (Irish)
John Oppermann (Irish)*
Samantha McConnell (Irish)*

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* Independent Director

BACKGROUND TO THE VERITAS COMMON CONTRACTUAL FUND

The Veritas Global Focus Common Contractual Fund (the "Sub-Fund"), is a sub-fund of Veritas Common Contractual Fund (the "CCF") which is an open-ended umbrella common contractual fund, authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 ("the UCITS regulations").

There are currently no other sub-funds of the CCF in existence. The CCF is an umbrella common contractual fund constituted on 1 May 2015 by the Deed of Constitution entered into between KBA Consulting Management Limited (the "Manager") and State Street Custodial Services (Ireland) Limited (the "Depositary"). As such, neither the CCF nor any sub-fund is an incorporated entity and neither the CCF nor any sub-fund has a separate legal personality. Instead, it is simply a description of a form of undivided co-ownership by contractual arrangement whereby persons who acquire Shares and become legal Shareholders in the CCF will have co-ownership rights to the property of the relevant sub-fund of the CCF and the income that is derived from such property. The rules of the CCF which are set out in the Deed of Constitution are binding on all persons acquiring Shares in the CCF.

Investment Objective

The Sub-Fund's objective is to build capital over a number of years through investment in a focused portfolio of global companies.

Calculation of Net Asset Value

The Net Asset Value (the "NAV") of the Sub-Fund is calculated on each dealing day by ascertaining the value of the assets of the Sub-Fund on such dealing day and deducting from such value the liabilities of the Sub-Fund on such dealing day. The NAV per share of the Sub-Fund is calculated by dividing the NAV of the Sub-Fund by the number of shares in the Sub-Fund.

Dealing

The dealing day for the Sub-Fund is every Business Day or such other day or days as the Manager may determine. The dealing deadline for applications for Shares and repurchases of Shares is 11.00 a.m. (Irish time) on the relevant dealing day.

Investment policy

The Sub-Fund principally invests in equities, irrespective of specific geographical location listed or traded on recognised exchanges throughout the world. Where necessary or more efficient operationally, investments may also be made in equity related securities such as depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of the Sub-Fund's NAV), or convertible securities (such as convertible preference shares, share purchase rights and bonds convertible into common or preferred shares).

It is the policy of the Sub-Fund that the portfolio will be invested in a relatively select group of global companies, identified through a bottom up (fundamental research based) stock picking approach by Veritas Asset Management LLP (the "Investment Manager"), with the aim of achieving positive returns. The investment approach is orientated to identifying and investing in businesses that the Investment Manager perceives to offer the best opportunities for profit. Industry leaders in what the Investment Manager considers to be relatively stable industries are sought where there is greater visibility of sustainable earnings and recurring revenues, but equity (and equity related) investments must satisfy a number of qualitative criteria applied by the Investment Manager relating to, for example, the level of free cash flow generation from the business. The importance of company management, and their alignment with public shareholders, cannot be overstated. No consideration will be given to country or global index weightings, nor will the Sub-Fund be always fully invested in equities, and as a result performance may be significantly different from that of the markets in which it is invested, or the performance of commonly followed global indices.

BACKGROUND TO THE VERITAS COMMON CONTRACTUAL FUND (CONTINUED)

Investment policy (continued)

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ Financial Derivative Instruments ("FDI") (specifically futures, options, contracts for difference, equity swaps or foreign currency forward contracts), subject to the conditions and within the limits laid down by the Central Bank. Please refer to the section of the Prospectus entitled "Use of Derivatives and Efficient Portfolio Management (EPM)" for further details.

Subject to the restrictions set out in the UCITS Regulations and in addition to any investments referred to above the Sub-Fund may be invested (pending investment, or if this is considered appropriate to the investment objective, invest on a short term basis), in Collective Investment Schemes ("CIS"), cash, deposits and short-term paper including treasury bills, investment grade fixed or floating rate corporate or government issued fixed income securities, certificates of deposit or bankers' acceptances. The Sub-Fund will invest no more than 5% of its NAV in other CIS. The Sub-Fund will only invest in non-UCITS CIS that satisfy the conditions applied from time to time by the Central Bank.

Notwithstanding the above, the Sub-Fund will not invest more than 20% of its net assets in securities listed or traded on recognised exchanges in emerging markets.

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Manager is responsible for preparing the annual report and CCF's financial statements in accordance with applicable Irish law and International Financial Reporting Standards ("IFRS"), as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the CCF and of the profit or loss of the CCF for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the CCF will continue in business.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the CCF and enable it to ensure that the financial statements are prepared in accordance with IFRS, as adopted by the European Union, and comply with the provisions of the Deed of Constitution and Irish Statute comprising the UCITS Regulations. It is also responsible for safeguarding the assets of the CCF. In this regard it has entrusted the assets of the CCF to the Depositary. The Manager has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as Depositary. The Manager has a general responsibility for taking such steps as are reasonably open to it to prevent and detect fraud and other irregularities.

Dealings with Connected Persons

Regulation 43(1) of the UCITS Regulations "Restrictions on transactions with connected persons" states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is a) conducted at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under Central Bank's UCITS Regulation 78.4, the Directors of the Manager as the responsible person, are satisfied that (a) there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected person; and (b) all transactions with a connected person that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

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

On behalf of the Board of the Manager

Director

Director

KBA Consulting Management Limited

On behalf of Veritas Common Contractual Fund

27 January 2020

Independent auditors' report to the members of Veritas Common Contractual Fund

Report on the audit of the financial statements

Opinion

In our opinion, Veritas Common Contractual Fund's financial statements:

- give a true and fair view of the Company's assets, liabilities and financial position as at 30 September 2019 and of its results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

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

- the Statement of Financial Position as at 30 September 2019;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year then ended;
- the Schedule of Investments as at 30 September 2019; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

With respect to the Statement of Manager's Responsibilities, we also considered whether the disclosures required by the Companies Act 2014 have been included.

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

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Statement of Manager's Responsibilities for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Statement of Manager's Responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Manager's Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditors' report.

Use of this report

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

Other required reporting

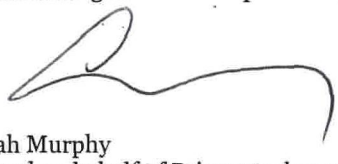
Companies Act 2014 opinions on other matters

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

Companies Act 2014 exception reporting

Directors' remuneration and transactions

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



Sarah Murphy
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
27 January 2020

VERITAS COMMON CONTRACTUAL FUND

Depositary's Report to the Shareholders of Veritas Common Contractual Fund

We have enquired into the conduct of the Manager in respect of Veritas Common Contractual Fund (the "CCF") for the financial period from 1 October 2018 to 30 June 2019, in our capacity as Depositary to the CCF.

This report including the opinion has been prepared for and solely for the shareholders in the CCF, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the UCITS Regulations"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the CCF in each annual accounting period and report thereon to the shareholders.

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

Basis of Depositary's Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the CCF has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Deed of Constitution and the UCITS regulations and (ii) otherwise in accordance with the CCF's constitutional documentation and the appropriate regulations.

Opinion

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

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Depositary by the Deed of Constitution, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"); and

(ii) otherwise in accordance with the provisions of the Deed of Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.

for and on behalf of
State Street Custodial Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

27 January 2020

Depositary's Report to the Shareholders of Veritas Common Contractual Fund

We have enquired into the conduct of Veritas Common Contractual Fund (the "CCF") for the financial period from 1 July 2019 to 30 September 2019, in our capacity as Depositary to the CCF.

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

Responsibilities of the Depositary

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

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

Basis of Depositary's Opinion

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

(i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Deed of Constitution and the appropriate regulations and

(ii) otherwise in accordance with the CCF's constitutional documentation and the appropriate regulations.

Opinion

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

(i) in accordance with the limitations imposed on the investment and borrowing powers of the CCF by the Deed of Constitution, the UCITS Regulations and the Central Bank UCITS Regulations, and

(ii) otherwise in accordance with the provisions of the Deed of Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.

for and on behalf of
Brown Brothers Harriman Trustee Services (Ireland) Limited
30 Herbert Street
Dublin 2
Ireland

27 January 2020

THE VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

INVESTMENT MANAGER'S REPORT

Veritas Global Focus Common Contractual Fund
Report for the financial year ended 30 September 2019

Investing in Uncertainty

Radical monetary policy is the new normal: what was once seen as monetary policy to be used solely in emergencies is today's monetary standard. The problem for policy makers now is 'what next?'. Demand has already been pulled forward by the "emergency" interest rates that have been in place for the last decade. Anyone with a pulse (and undoubtedly some without) has been able to borrow to buy whatever they may have desired, be that property, a new pick-up truck or a commitment to the latest private equity fund. Leverage is ubiquitous thanks to historically low rates but once this trick has been performed, the magicians at the central banks cannot easily repeat it. Satiated borrowers are quite possibly one of the major factors behind the lacklustre economic growth that has accompanied the recovery from the Great Financial Crisis. How many new pick-up trucks, even with interest free credit, does one person need? Demand cannot continually be pulled forward.

Another trick that can only be played once is the discount rate induced appreciation of assets. Lower central bank policy rates to zero and over time all other asset classes will come to reflect that lower risk-free rate. With over one third of the world's senior securities trading at negative yields it would seem unlikely that the risk-free rate can be lowered much further. At some point there must be a lower bound. If the lower bound is close, then further asset appreciation by way of valuation multiple expansion is most likely behind us. If yields were ever to move upwards, valuation multiples may start becoming a headwind rather than the tailwind that most investors have become accustomed to (and enjoyed the benefits of).

High quality companies have demonstrably been one of the bigger beneficiaries of a declining risk-free rate. In general, high quality companies have strong competitive positions that investors anticipate will allow them to grow for sustained periods. While all equities are long duration assets (they are perpetual securities), high quality companies and growth stocks have a particularly long duration as a greater proportion of their anticipated cash-flows lie in the distant future. A lower discount rate values these distant cash-flows more generously and consequently such companies appreciate more rapidly in a declining interest rate environment. For a conservative investor in quality companies, this creates a problem as it become more difficult to identify quality investments that are available to buy at valuations commensurate with generating attractive returns over a long-term investment horizon. As a direct result, the cash holding of conservative investors often rises as the risk-free rate becomes abnormally low.

Implications for the Fund

One way to mitigate rising cash in such a scenario is to actively seek investments in more contentious areas where a long-term investment horizon can provide a competitive advantage. This advantage arises when it can be established that there is a high probability that the issues facing the company or industry are temporary in nature and will be resolved during the investment horizon. The longer the investment horizon, the more such opportunities will be available. If such a set of circumstances can be found in otherwise high quality companies then very attractive returns can be delivered even in a richly valued market. Our analysis implies that such an opportunity is currently available in US Health insurance.

US Health Insurers are, in general, good quality businesses. Despite the rhetoric of some politicians who have a specific agenda, the better health insurers utilise data, clinical expertise and artificial intelligence to develop protocols and procedures that lower the cost of care at the same time as improving the health and outcomes for patients. By doing this successfully, the better insurers build market share and economies of scale which allow them to earn good post tax Return on Invested Capital, be highly cash generative and operate with prudent balance sheets. It is also demonstrable that the health insurers do this more economically and better than the US Government: within Medicare (Government subsidised healthcare for the over 60's) patients may choose between entirely Government provided healthcare or healthcare provided by insurers but subsidised by Government to the same degree (known as Medicare Advantage). Privately managed Medicare Advantage has doubled membership since 2010 to now stand at one third of the total 64 million individuals on Medicare. This has been at the expense of traditional Government managed Medicare as patients recognise that they receive more benefits, better treatment and lower out of pocket costs in Medicare Advantage despite the private insurers receiving rates that are based on Government run Medicare and making a profit at these rates. Such is the power of capitalism and open market competition as opposed to the wasteful bureaucracy of Government.

THE VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

INVESTMENT MANAGER'S REPORT (CONTINUED)

Veritas Global Focus Common Contractual Fund (continued)
Report for the financial year ended 30 September 2019 (continued)

Despite delivering good growth at high returns and with excellent free cash flow generation many health insurers are trading at PE multiples below 10x and free cash flow yields approaching, or in some cases exceeding, 10%. This can be compared with the wider US market which trades at a PE multiple of c.19x and a free cash flow yield around 4%. The primary reason that these companies trade at such a low valuation is political: the Democratic party in the US is currently choosing its candidate to stand in the November 2020 Presidential elections and at least 2 of the front runners for the candidacy (Bernie Sanders and Elizabeth Warren) advocate a policy of US healthcare being entirely provided by the Government under a policy called Medicare For All (M4A). Were M4A to be enacted it would be a huge upheaval in the provision of healthcare in the US, a sector that accounts for around 18% of US GDP. Currently around 45% of US healthcare is provided by the Government with the remainder provided either by health insurers or paid directly by the patient. Under M4A as proposed by Bernie Sanders, the US would move to a single payer system (that payer being the US Government) with very generous benefits for everyone (including long term care, dental and ophthalmology) and no out of pocket costs. Private health insurance would largely be prohibited hence the reason why the US Health Insurance companies currently trade at such low valuations.

While the threat of having the primary business of an investment become prohibited must be taken seriously, we believe that there is an extremely small probability that such a policy is ever introduced into the US and an even smaller probability that it is introduced within the next 10 years. Our analysis of the issue indicates two lines of reasoning why M4A is unlikely to become US law in the foreseeable future:

- The first line of reasoning is based upon practicalities: the cost of M4A as proposed by left leaning Democrats is likely to be around $40 trillion over the first 10 years. Much of this would be new costs for the Federal Government and so would need to be funded by tariffs or taxes on businesses and individuals. To put the amount in perspective, total Federal tax revenue for 2018 was $3.3 trillion. The increase in taxes and tariffs would therefore need to be material and is unlikely to be popular. In addition to the cost, there would be huge disruption to the healthcare system which is an extremely complex ecosystem – one of the major issues to address would be that under the present system many healthcare providers are subsidised by the private insurers and under Medicare reimbursement rates, they would be loss making. As an example, almost all dialysis clinics would be loss making under Medicare rates (private insurers pay c.3x the basic Medicare rate per dialysis treatment) and so would likely have to close leaving patients requiring kidney dialysis three times a week in a perilous position. The last practicality to take into account is that of electoral support: when polled about universal government healthcare, funded by higher taxes and prohibiting private health insurance the outcome is negative. A Kaiser Family Foundation poll in January 2019 highlights that while 56% of their surveyed population are in favour of a national health plan (like M4A), only 37% support the idea if private insurance should be eliminated or taxes for Americans increased as a result. It is clear from this that US taxpayers like low taxes and the right to choose their healthcare provider. This means both that a left wing candidate would be less likely to win the presidency and also that more moderate Democrat senators would be less likely to support the policy.

- The second line of reasoning is perhaps more important and is based upon politics: in order to be able to pass the legislation required for M4A, a left wing democratic nominee would need to win the presidency, retain control of Congress and win a 60 seat super majority in the Senate. The last of these is the most unlikely. In general, for legislation to pass in the US it not only needs a majority of senators to vote for it, but also has to have sufficient support such that it cannot be blocked by a filibuster. A filibuster requires 40 (out of the 100) senators to support it meaning major legislation can be blocked by a significant minority. This broadly means that all major legislation needs to be bi-partisan and ensures that the Senate acts as a check and balance on the much more partisan House of Representatives (Congress). The only times in the past 40 years that one party has managed to secure a 60 seat super majority was briefly in the 111th Senate (in 2009 until Senator Kennedy died, shortly after which the Democrats no longer held a super majority). Given Senate elections (covering one third of Senators) are held every two years, this means that in the past 20 elections a super-majority has occurred only once or around 5% of the time (and even then, the super-majority was not held for the full two year period of the 111th Senate).

THE VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

INVESTMENT MANAGER'S REPORT (CONTINUED)

Veritas Global Focus Common Contractual Fund (continued)

Report for the financial year ended 30 September 2019 (continued)

> Given the number of "safe" Republican seats up for election in 2020 together with the fact that the Republicans currently control the Senate with a 53/47 majority, a swing to a 40/60 Democratic controlled Senate seems all but impossible. Our estimate of the probability of M4A becoming law in the foreseeable future assumes that Elizabeth Warren does become the Democrat's candidate. If we then assume a 50% chance of her beating President Trump to the Presidency, and a 70% chance that the Democrats retain control of Congress, together with a 5% chance that the Democrat's win a super-majority in the Senate gives an overall probability of 1.75% that M4A could theoretically become law (before taking account of its lack of popularity, the cost and consequently the probability that some more moderate Democrat's would not support such a bill).

So, in summary, we see less than a 2% probability that M4A will become law. Much more likely should a Democrat win all three of the White House, Congress and the Senate is a combination of an expansion of existing Government programmes together with implementing some schemes to reduce the out of pocket expenses suffered by patients. These would be relatively simple to legislate, would cost a lot less and be much less disruptive to the healthcare system, would address the issue of the uninsured population (largely a mix of the poor and illegal immigrants) while at the same time being popular with the electorate (especially reducing out of pocket costs). Such an outcome would be positive for insurers insofar as it expands the population of those insured although reducing out of pocket expenses would probably be slightly negative for the sector (although if all companies are subject to the same rules it is unlikely the effect would be material).

The health insurance companies that we hold in the portfolio are those that we believe are exceptionally well positioned in the long term. It seems likely that as the US healthcare industry moves more towards 'value-based care' the companies that have most control over the whole healthcare supply chain will have the greatest opportunity to benefit through reducing costs at the same time as delivering better health outcomes. Vertical Integration will allow these companies to achieve this and at the same time provide more actionable data and so is likely to become more important under value-based care, which is why we particularly like CVS Health, Cigna and UnitedHealth. In our opinion these companies are demonstrably attractively valued as other investors fret about the sub 2% possibility of M4A becoming law while ignoring the 98% probability that healthcare will remain largely as it is today. The issue of M4A is likely to hang over the health insurers for some time. The issue may be dropped early if Joe Biden wins the nomination or if Elizabeth Warren softens her stance against private insurers (to her previously held position) to appeal to moderates in the run up to an election or it could rumble on possibly as late as the first half of 2021 when a newly elected President might get to test the power of the Filibuster to prevent extreme policies becoming law. Until there is resolution, the health insurers share prices are unlikely to materially recover and will probably remain volatile. This is to be expected: if taking on such a risk (even if small) were easy and quickly resolved then the opportunity would not arise in the first place. Given the political risk, the overall weighting of US health insurers in the portfolio is actively managed to balance the risk and reward within the context of the whole portfolio.

Longer term perspective

Despite the underperformance of our exposure to US health insurers and our relatively high cash weighting (a consequence of monetary policy pushing all asset valuations every skyward), we have managed to perform well as a result of good stock selection. In the most recent year the Fund (GBP B) has delivered a return on 10.85% which can be compared to an all equity global index (MSCI World) return of 7.76% and the OECD G7 CPI + 6% p.a.[1] which was up 7.50%.

Sources: Administrator/Veritas Asset Management/MSCI/OECD

Veritas Asset Management LLP

January 2020

VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2019

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
	Equities (83.97%) (2018: 82.89%)		
	Australia (2.86%) (2018: 2.27%)		
1,597,750	Sonic Healthcare Ltd	30,246,004	2.86
		30,246,004	**2.86**
	Canada (2.48%) (2018: Nil)		
117,900	Canadian Pacific Railway Ltd	26,223,908	2.48
		26,223,908	**2.48**
	China (Nil) (2018: 2.18%)		
	France (5.45%) (2018: 3.81%)		
222,273	Airbus SE	28,878,162	2.73
182,806	Safran SA	28,786,556	2.72
		57,664,718	**5.45**
	Netherlands (Nil) (2018: 5.57%)		
	Spain (2.93%) (2018: 1.92%)		
168,930	Aena SME SA	30,928,439	2.93
		30,928,439	**2.93**
	Sweden (2.85%) (2018: Nil)		
3,206,600	Svenska Handelsbanken AB	30,117,688	2.85
		30,117,688	**2.85**
	Switzerland (2.46%) (2018: Nil)		
239,736	Nestle SA	26,008,437	2.46
		26,008,437	**2.46**
	United Kingdom (16.41%) (2018: 9.70%)		
7,166,888	BAE Systems PLC	50,228,024	4.75
10,517,708	Capita PLC	18,738,351	1.77
460,699	Reckitt Benckiser Group PLC	35,938,755	3.40
2,212,670	Rolls-Royce Holdings PLC	21,575,053	2.04
781,828	Unilever NV	47,004,782	4.45
		173,484,965	**16.41**
	United States (48.53%) (2018: 57.44%)		
55,232	Alphabet Inc	67,435,509	6.38
360,176	Baxter International Inc	31,488,387	2.98

VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2019
(CONTINUED)

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
	Equities (83.97%) (2018: 82.89%) (continued)		
	United States (48.53%) (2018: 57.44%) (continued)		
178,146	Charter Communications Inc	73,420,201	6.95
128,848	Cigna Corp	19,567,502	1.85
497,855	Comcast Corp	22,450,771	2.12
52,467	Cooper Cos Inc/The	15,587,159	1.47
337,016	CVS Health Corp	21,255,599	2.01
535,982	Dentsply Sirona Inc	28,581,240	2.70
229,202	Facebook Inc	40,817,438	3.86
260,600	Intercontinental Exchange Inc	24,031,229	2.27
228,848	Microsoft Corp	31,814,449	3.01
414,571	Philip Morris International Inc	31,468,012	2.98
121,917	S&P Global Inc	29,858,083	2.82
157,558	Thermo Fisher Scientific Inc	45,891,131	4.34
135,824	UnitedHealth Group Inc	29,518,630	2.79
		513,185,340	**48.53**
	Total Equities (83.97%) (2018: 82.89%)	**887,859,499**	**83.97**
	Investments Funds (8.01%) (2018: 4.14%)		
	Luxembourg (8.01%) (2018: 4.14%)		
41,168,707	Morgan Stanley US Dollar Liquidity Fund	41,240,134	3.90
43,369,193	JP Morgan US Dollar Liquidity Fund	43,440,972	4.11
		84,681,106	**8.01**
	Total Investments Funds (8.01%) (2018: 4.14%)	**84,681,106**	**8.01**
	Deposit with credit institutions (1.48%) (2018: 5.31%)		
15,677,146	Clydesdale 2.08% 23/10/2019	15,677,146	1.48
		15,677,146	**1.48**
	Total Deposit with credit institutions (1.48%) (2018: 5.31%)	**15,677,146**	**1.48**

VERITAS GLOBAL FOCUS COMMON CONTRACTUAL FUND

SCHEDULE OF INVESTMENTS
AS AT 30 SEPTEMBER 2019
(CONTINUED)

Holdings	Financial assets at fair value through profit or loss	Fair Value USD	% of Net Asset Value
	Net Financial assets and liabilities at Fair Value through Profit or Loss (93.46%) (2018: 92.34%)	**988,217,751**	**93.46**
	Other Net Assets (6.54%) (2018: 7.66%)	**69,132,830**	**6.54**
	Net assets attributable to Holders of Redeemable Participating Shares	**1,057,350,581**	**100.00**

Analysis of Total Assets	% of Total Assets 30 September 2019	% of Total Assets 30 September 2018
Transferable securities admitted to official stock exchange listing	83.58%	82.72%
Other transferable securities of the type referred to in Regulations 68 (1)(a), (b) and (c)	1.48%	5.30%
Investment funds	7.97%	4.13%
Current Assets	6.97%	7.85%
Total Assets	**100.00%**	**100.00%**

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	Veritas Global Focus Common Contractual Fund 2019 USD	Veritas Global Focus Common Contractual Fund 2018 USD
ASSETS			
Financial assets at fair value through profit or loss	2(c), 6	988,217,751	1,061,012,391
Cash and cash equivalents	5	72,338,522	89,885,436
Due from brokers		287,907	-
Due from shareholders		3,888	-
Dividends receivable		1,408,578	620,264
Other debtors		38,328	245
TOTAL ASSETS		**1,062,294,974**	**1,151,518,336**
LIABILITIES			
Bank Overdraft	5	349	-
Due to brokers		307,146	-
Management fee payable	3	42,596	49,357
Investment management fee payable	3	2,196,915	713,791
Distribution payable	14	1,680,766	1,403,988
Other creditors	3	716,621	363,010
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTCIPATING SHARES)		**4,944,393**	**2,530,146**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		**1,057,350,581**	**1,148,988,190**

On behalf of the Board of the Manager

Director

Director

KBA Consulting Management Limited

On behalf of Veritas Common Contractual Fund

27 January 2020

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Veritas Global Focus Common Contractual Fund 2019 USD	Veritas Global Focus Common Contractual Fund 2018 USD
INCOME			
Interest income	2(d)	1,753,716	2,017,266
Dividend income	2(d)	17,649,267	15,768,680
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	7	49,472,990	101,380,976
Net gain/(loss) on foreign exchange	7	(508,469)	(709,243)
Other income		-	32,680
TOTAL INVESTMENT INCOME		**68,367,504**	**118,490,359**
EXPENSES			
Management fees	3	149,613	214,281
Investment management fees	3	8,664,990	9,458,170
Administration fees	3	405,886	536,305
Depositary fees	3	429,565	470,250
Audit fees	3	26,625	18,558
Legal fees		10,040	12,601
Other expenses	4	69,445	60,912
TOTAL EXPENSES		**9,756,164**	**10,771,077**
Expense reimbursement from Investment Manager	3	3,366	128
NET INCOME/(LOSS)		**58,614,706**	**107,719,410**
FINANCE COSTS			
Distributions to redeemable participating shareholders	14	(1,680,766)	(1,403,988)
Interest expense	2(d)	(1,554)	(1,800)
GAIN/(LOSS) FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX		**56,932,386**	**106,313,622**
Less: Withholding tax		(1,354,741)	(614,725)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		**55,577,645**	**105,698,897**

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

On behalf of the Board of the Manager

Director

Director

KBA Consulting Management Limited

On behalf of Veritas Common Contractual Fund

27 January 2020

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	Veritas Global Focus Common Contractual Fund 2019 USD	Veritas Global Focus Common Contractual Fund 2018 USD
Net Assets attributable to holders of redeemable participating shares at the start of the year		1,148,988,190	1,440,386,930
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		55,577,645	105,698,897
Proceeds from redeemable participating shares issued		149,412,820	2,855,433
Redemption of redeemable participating shares		(296,628,074)	(399,953,070)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR		**1,057,350,581**	**1,148,988,190**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Veritas Global Focus Common Contractual Fund 2019 USD	Veritas Global Focus Common Contractual Fund 2018 USD
Cash flows from operating activities		
Net decrease in investments	72,794,640	288,055,061
(Increase)/decrease in debtors	(1,114,304)	474,920
Increase/(decrease) in creditors	2,413,898	(2,889,547)
Increase in net assets attributable to holders of redeemable participating shares from operations	55,577,645	105,698,897
Net cash inflow/(outflow) from operating activities	129,671,879	391,339,331
Cash flows from financing activities		
Proceeds from redeemable participating shares issued	149,408,932	2,855,433
Payment on redemption of redeemable participating shares	(296,628,074)	(399,953,070)
Net cash inflow/(outflow) from financing activities	(147,219,142)	(397,097,637)
Net increase/(decrease) in cash and cash equivalents	(17,547,263)	(5,758,306)
Cash and cash equivalents at beginning of year	89,885,436	95,643,742
Cash and cash equivalents at end of year	72,338,173*	89,885,436
Interest received	1,718,388	2,017,266
Interest paid	(1,554)	(1,800)
Dividends received	16,860,953	16,243,600
Dividends paid	(1,403,988)	(1,519,473)
Taxation paid	(1,354,741)	(614,725)

* Cash and cash equivalents include bank overdraft.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. Basis of Presentation

The financial statements of the CCF have been prepared on a going concern basis in accordance with IFRS, as adopted by the EU and the UCITS Regulations. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The principal accounting policies applied in the preparation of these financial statements are set out below. All references to net assets throughout this document refer to net assets attributable to shareholders.

2. Significant Accounting Policies

a) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 October 2018 and not early adopted

IFRIC 23 comes into effect for annual periods beginning on or after 1 January 2019. It aims to clarify the accounting uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profits, losses, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The CCF has not adopted early application of IFRIC 23.

New standards, amendments and interpretations issued and effective for the financial year beginning on or after 1 October 2018

IFRS 9 “Financial Instruments” was issued in July 2014 and became effective for the periods beginning on or after 1 January 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of the financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the CCF’s accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments). Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The Directors have determined that in order for the financial statements to give a true and fair view it is necessary to measure financial instruments at fair value through profit or loss as permitted by IFRS 9 ‘Financial Instruments’ since all financial instruments are managed on a fair value basis. Therefore there has been no change to classifications when compared to prior years.

IFRS 15 “Revenue from Contracts with Customers” was issued in May 2014 and became effective for periods beginning on or after 1 January 2018. It establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The new standard did not have a significant impact on the CCF’s financial position, performance or disclosures in its financial statements.

There are no further standards, amendments or interpretations to existing standards that would be expected to have a significant impact on the CCF.

b) Foreign exchange translation

(i) Functional and presentation currency

The functional currency of the Sub-Fund is United States Dollar ("USD"), as the Directors have determined that this reflects the Sub-Fund's primary economic environment. The presentation currency of the Sub-Fund is also USD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

2. Significant Accounting Policies (continued)

b) Foreign exchange translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

Proceeds from subscriptions and amounts paid on redemption of shares are translated at the rate on valuation date, which approximate the rates prevailing at the dates of the transactions. Translation differences on non-monetary items, such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss and are recognised in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

c) Financial assets/liabilities at fair value through profit or loss

Investments categorised as financial assets and financial liabilities at fair value through profit or loss have two sub-categories: financial assets and liabilities held for trading, and those designated by management at fair value through profit or loss at inception. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives are also categorised as held for trading, as the Sub-Fund does not designate any derivatives as hedges in a hedging relationship.

Regular purchases and sales of investments are recognised on trade date - the date on which the Sub-Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets and liabilities carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Gains and losses arising from changes in the fair value of the 'financial assets and financial liabilities at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The CCF has adopted IFRS 13 "Fair Value Measurement" for the purpose of presenting the fair value of its investments in the financial statements. Investments are presented using last traded market prices to be consistent with the inputs used for the purpose of determining dealing prices.

The Sub-Fund may from time to time invest in financial instruments that are not traded in an active market (for example in over-the-counter derivatives). The fair value is determined by using valuation techniques. The Sub-Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Deposits with credit institutions are valued at par.

Units or shares in investment funds will be valued at the latest available net asset value or if listed or traded on a recognised exchange will be based on quoted market prices at the close of trading on the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

2. Significant Accounting Policies (continued)

c) Financial Assets and Financial Liabilities at Fair Value through Profit and Loss (continued)

Investment transactions are accounted for on a trade date basis. Profits and losses on the disposal of investments are computed on an average cost basis and included as realised gains and losses in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. Unrealised gains and losses on investments are recognised in net gains/(losses) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

d) Income and expense

Interest income and interest expense are recorded on an effective yield basis. Dividend income and expense are recorded on the ex-dividend date gross of withholding taxes, with the withholding tax shown separately in the Statement of Comprehensive Income.

e) Offsetting financial instruments

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

f) Shares

Shares are redeemable at the shareholder's option and are classified as financial liabilities.

Shares can be put back to the Sub-Fund at any time for cash equal to a proportionate share of the Sub-Fund's NAV. Shares are carried at the redemption amount that is payable at the Statement of Financial Position date if the shareholder exercised its right to put the shares back to the Sub-Fund.

g) Use of estimates

The preparation of financial statements in accordance with IFRS, as adopted by the EU requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the financial year. Actual results could differ from those estimates and the differences could be material.

The area of the CCF's business that typically requires such estimates is the fair valuation of financial assets and liabilities, as described in Note 2 (c).

h) Taxation

Capital gains, dividends and interest received may be subject to capital gains tax and withholding tax imposed by country of origin and such taxes may not be recoverable by the CCF or its shareholders. These taxes are included in the Statement of Comprehensive Income.

i) Transactions costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or liability is recognised initially, an entity shall measure it at its fair value through profit or loss with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

2. Significant Accounting Policies (continued)

i) Transactions costs (continued)

Transaction costs charged by the Depositary on the settlement of purchases and sales of investments are included in net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Brokerage charges, taxes and linked charges on purchases and sales of equities are embedded in the cost of the investment and are included in net gains/(losses) on financial assets/liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Transaction costs incurred during the financial year ended 30 September 2019 and 30 September 2018 are detailed in Note 3.

j) Distributions

Distributions payable on shares are recognised in the Statement of Comprehensive Income as finance costs, and are detailed in Note 14.

The Deed of Constitution empowers the Manager to declare distributions in respect of any shares in the relevant Sub-Fund out of the net income of the relevant Sub-Fund (i.e. income less expenses) (whether in the form of distributions, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses) subject to certain adjustments and, in accordance with the requirements of the Central Bank partially or fully out of the capital of the relevant Sub-Fund.

k) Establishment fees

Establishment fees comprise the initial costs of establishing the CCF and are written off over a period of first five financial years. However, for the purposes of these financial statements, there were expensed to the CCF as incurred during the financial year ended 30 September 2016. Please refer to supplemental information for reconciliation of NAV per financial statements to dealing NAV.

3. Fees and expenses

Management and Investment Management fees

The CCF pays to the Manager a management fee at an annual rate up to 0.02% of the NAV of the Sub-Fund. The management fee for the financial year amounted to USD 149,613 (2018: USD 214,281) and the amount outstanding as at 30 September 2019 was USD 42,596 (2017: USD 49,357).

The CCF pays to the Investment Manager an investment management fee at an annual rate of 0.75% of the NAV of the Sub-Fund. The Investment Manager fee for the financial year amounted to USD 8,664,990 (2018: USD 9,458,170) and the amount outstanding as at 30 September 2019 was USD 2,196,915 (2018: USD 713,791).

The Investment Manager has voluntarily agreed to bear the Sub-Fund's expenses in a fiscal year, to the extent that such expenses exceed the CCF's expense cap. The expense cap for the Sub-Fund was 0.87% of the NAV of the Sub-Fund and has expired during the financial year. The expense reimbursement from the Investment Manager for the financial year amounted to USD 3,366 (2018: USD 128) and the amount receivable as at 30 September 2019 was USD 3,002 (2018: USD 245).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

3. Fees and expenses (continued)

Transaction Costs

In order to achieve its investment objective, the Sub-Fund will incur transaction costs in relation to trading activity on its portfolio. During the financial year ended 30 September 2019, the Sub-Fund incurred transaction costs of USD 204,924 (2018: USD 600,247).

Administration fees

The CCF has appointed State Street Fund Services (Ireland) Limited (until 30 June 2019) and Brown Brothers Harriman Fund Administration Services (Ireland) Limited (from 1 July 2019) as administrator (the "Administrator") of the CCF and each Sub-Fund.

For the period from 1 October 2018 until 30 June 2019 and for the period from 1 July 2019 until 30 September 2019 the administration fee for the Sub-Fund is calculated at an annual rate which shall not exceed 0.04% of the NAV. The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund. The administration fees noted on the primary statements are inclusive of the share class fees and transfer agent fees. The administration fee for the financial year amounted to USD 405,886 (2018: USD 536,305) and the amount outstanding as at 30 September 2019 was USD 333,736 (2018: USD 175,071), which is included in Other creditors line item on the Statement of Financial Position.

Depositary fees

The depositary fee for the Sub-Fund is calculated at an annual rate which shall not exceed 0.02% of the NAV. The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Sub-Fund, including the expenses of any sub-custodian appointed by it which shall be at normal commercial rates. The depositary fee for the financial year amounted to USD 429,565 (2018: USD 470,250) and the amount outstanding as at 30 September 2019 was USD 274,859 (2018: USD 95,808), which is included in the Other creditors line item on the Statement of Financial Position.

Auditors' fees

Audit fees for the year ended 30 September 2019 amounted to USD 26,625 (2018: USD 18,558), of which USD 24,511 (2018: USD 23,669) is payable at the year end for services to the CCF, which is included in the Other creditors line item on the Statement of Financial Position.

Remaining fees payable

All below fees are included in the Other creditors line item on the Statement of Financial Position.

	Veritas Global Focus Common Contractual Fund 30 September 2019 USD	Veritas Global Focus Common Contractual Fund 30 September 2018 USD
Tax advice fees	(5,728)	(48,722)
Legal fees	(4,365)	(10,333)
Miscellaneous fees	(73,422)	(9,407)
	(83,515)	(68,462)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

4. Other expenses

	Veritas Global Focus Common Contractual Fund For the financial year ended 30 September 2019 USD	Veritas Global Focus Common Contractual Fund For the financial year ended 30 September 2018 USD*
Out of pocket fees	(20,484)	(18,253)
Tax advice fees	(16,814)	(18,309)
MLRO fees	(11,149)	(15,042)
Miscellaneous fees	(20,998)	(9,308)
	(69,445)	(60,912)

* Due to change of presentation, Audit fees (inclusive of VAT) and Legal fees are presented as separate line items on the Statement of Comprehensive Income.

5. Cash and cash equivalents and bank overdraft

Cash and cash equivalents include cash in hand and overnight deposits. Cash balances presented in the Statement of Financial Position were held with the following institutions, with credit rating as presented in Note 11 (Credit Risk):

	30 September 2019 USD	30 September 2018 USD
Cash and cash equivalents		
ANZ	428,111	-
Brown Brothers Harriman & Co.	451,331	-
Clydesdale Bank	-	35,276,075
JPMorgan	52,838,056	-
State Street Bank & Trust Company	-	54,609,361
Sumitomo	18,621,024	-
	72,338,522	**89,885,436**
Bank overdraft		
Brown Brothers Harriman & Co.	(349)	-
	(349)	**-**

6. Fair value hierarchy

In accordance with IFRS 13 the CCF classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities at measurement date (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

6. Fair value hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Investment Manager. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy of financial assets (by class) measured at fair value at 30 September 2019 and 30 September 2018 for the Sub-Fund:

	30 September 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial asset at fair value through profit or loss	**USD**	**USD**	**USD**	**USD**
Designated at fair value through profit or loss				
Equities	887,859,499	-	-	887,859,499
Investment funds	-	84,681,106	-	84,681,106
Deposits with credit institutions	15,677,146	-	-	15,677,146
	903,536,645	**84,681,106**	**-**	**988,217,751**

	30 September 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial asset at fair value through profit or loss	**USD**	**USD**	**USD**	**USD**
Designated at fair value through profit or loss				
Equities	952,499,442	-	-	952,499,442
Investment funds	-	47,530,298	-	47,530,298
Deposits with credit institutions	60,982,651	-	-	60,982,651
	1,013,482,093	**47,530,298**	**-**	**1,061,012,391**

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the period and are deemed to have occurred when the pricing source or methodology used to price an investment has changed which triggers a change in level as defined under IFRS 13.

There were no transfers between levels during the financial year ended 30 September 2019 and 30 September 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(CONTINUED)

6. Fair value hierarchy (continued)

The following tables analyse the Sub-Fund's assets and liabilities not measured at fair value at 30 September 2019:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets:				
Cash and cash equivalents	72,338,522	-	-	72,338,522
Receivables	-	1,738,701	-	1,738,701
	72,338,522	**1,738,701**	**-**	**74,077,223**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Liabilities:				
Bank overdraft	(349)	-	-	(349)
Payables	-	(4,944,044)	-	(4,944,044)
Net assets attributable to shareholders	-	(1,057,350,581)	-	(1,057,350,581)
	(349)	**(1,062,294,625)**	**-**	**(1,062,294,974)**

The following tables analyse the Sub-Fund's assets and liabilities not measured at fair value at 30 September 2018:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets:				
Cash and cash equivalents	89,885,436	-	-	89,885,436
Receivables	-	620,509	-	620,509
	89,885,436	**620,509**	**-**	**90,505,945**

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Liabilities:				
Payables	-	(2,530,146)	-	(2,530,146)
Net assets attributable to shareholders	-	(1,148,988,190)	-	(1,148,988,190)
	-	**(1,151,518,336)**	**-**	**(1,151,518,336)**

The putable value of shares is calculated based on the net difference between total assets and all other liabilities of the Sub-Fund in accordance with the CCF's Prospectus. These shares are not traded on an active market. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Sub-Fund at any dealing date for cash equal to a proportionate share of the Sub-Fund's NAV attributable to the share class. Level 2 is deemed to be the most appropriate categorisation for net assets.

The assets and liabilities included in the above tables are carried at market value, and their carrying values are a reasonable approximation of fair value. Receivables include the contractual amounts for settlement of trades and other obligations due to the Sub-Fund. Payables represent the contractual amounts and obligations due by the Sub-Fund for settlement of expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

7. Net gain/(loss) on financial assets at fair value through profit or loss and foreign exchange

	Veritas Global Focus Common Contractual Fund For the financial year ended 30 September 2019 USD	Veritas Global Focus Common Contractual Fund For the financial year ended 30 September 2018 USD
Net realised gains on investments	68,869,391	152,036,731
Net change in unrealised appreciation/(depreciation) on investments	(19,396,401)	(50,655,755)
Net loss on foreign exchange	(508,469)	(709,243)
	48,964,521	100,671,733

8. Taxation

The CCF is a common contractual fund within the meaning of section 739I Tax Consolidation Act (the "TCA"), in which the shareholders by contractual arrangement participate and share in the property of the CCF as co-owners.

Section 739I of the TCA provides that a common contractual fund shall not be chargeable to Irish tax in respect of its relevant income and relevant gains ("relevant profits"). Instead, the relevant profits of the CCF shall be treated as arising, or as the case may be, accruing to each shareholder of the CCF or its Sub-Funds in proportion to the value of the share beneficially owned by the shareholder, as if the relevant profits had arisen or as the case may be, accrued, to the shareholders in the CCF or its Sub-Funds without passing through the CCF. This tax treatment is subject to each of the shares of the CCF:

- being an asset of a pension fund or being beneficially owned by a person other than an individual, or
- being held by an intermediary, a custodian or trustee for the benefit of a person other than an individual.

It is the intention of the Manager that shares are not held by natural persons and that the CCF will be tax transparent. The CCF does not have a separate legal personality.

On the basis that the shares of the CCF or its Sub-Funds are held by persons described above and that the CCF is constituted other than under trust or statute law, the CCF shall not be chargeable to Irish tax in respect of its relevant profits.

Distributions, interest or gains derived from securities may be subject to taxes, including withholding taxes imposed by the country of source. The CCF has been constituted by the Manager with the objective that it would be viewed as tax transparent. Providing such transparency is respected, where double taxation treaties apply, those treaties between the countries where the shareholders and the investments are located will be relevant. The objective of the Manager is that the CCF may effectively be ignored for double taxation treaty purposes although the Manager makes no representations or warranties as to the tax transparency of the CCF or its Sub-Fund in any jurisdictions.

The shareholders in the CCF may not be able to benefit from a reduction in the rate of withholding tax and may not therefore be able to prevent withholding taxes being deducted or be able to reclaim withholding taxes suffered in particular countries. If this position changes in the future and the application for a higher or lower rate results in an additional payment of tax or repayment to a relevant Sub-Fund the NAV of the relevant Sub-Fund will not be re-stated and the benefit or the cost will be allocated to the existing shareholders of the relevant Sub-Fund ratably at the time of the adjustment.

There were no chargeable events during the financial year. Dividends, interest and capital gains (if any) received on investments made by the CCF may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the CCF or its shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

9. Shares

Shares means one undivided beneficial interest in the assets of a Sub-Fund which may be further divided into different classes of shares. Shares in a CCF are not akin to shares in a corporate vehicle but are interests that serve to determine the proportion of the underlying assets of the CCF to which each investor is beneficially entitled.

Where the amount subscribed is not equivalent to an exact number of shares, fractions of shares may be issued up to the number of decimal places specified in the supplement of the relevant Sub-Fund. Shares in the CCF are issued in registered form. Shares will be evidenced by written confirmation of entry on the Register.

The following table shows the minimum shareholding for the Sub-Fund's classes:

Class	Initial Offer Period	Initial Issue Price	Sales Charge	Minimum Shareholding	Minimum Initial Investment Amount	Minimum Additional Investment Amount
Class A (UK Pension Funds Distributing) Shares	Closed on 21 March 2016	GBP 100	None	GBP 10,000,000	GBP 10,000,000	GBP 100,000
Class B (UK Pension Funds Accumulating) Shares	Closed on 8 July 2015	GBP 100	None	GBP 10,000,000	GBP 10,000,000	GBP 100,000
Class F (Canadian Pension Funds Accumulating) Shares	Closed on 24 March 2017	CAD 100	None	CAD 20,000,000	CAD 20,000,000	CAD 200,000
Class G* (South African Pension Funds Accumulating) Shares	Closed on 9 January 2019	USD 100	None	USD 15,000,000	USD 15,000,000	USD 150,000
Class H** (South African Insurance Companies Accumulating) Shares	Closed on 24 July 2019	USD 100	None	USD 15,000,000	USD 15,000,000	USD 150,000

The following table shows the movement in the number of shares for the financial year ended 30 September 2019 and ended 30 September 2018:

	Veritas Global Focus Common Contractual Fund 30 September 2019 Shares	Veritas Global Focus Common Contractual Fund 30 September 2018 Shares
Class A (UK Pension Funds Distributing)		
Balance at start of the year	1,476,668	2,192,166
Issue of shares during the year	4,479	6,014
Redemption of shares during the year	(1,023,096)	(721,512)
Balance at end of year	458,051	1,476,668

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

9. Shares (continued)

	Veritas Global Focus Common Contractual Fund 30 September 2019 Shares	Veritas Global Focus Common Contractual Fund 30 September 2018 Shares
Class B (UK Pension Funds Accumulating)		
Balance at start of the year	3,188,723	4,521,317
Issue of shares during the year	35,316	6,298
Redemption of shares during the year	(441,401)	(1,338,892)
Balance at end of year	2,782,638	3,188,723
Class F (Canadian Pension Funds Accumulating)		
Balance at start of the year	1,987,114	1,981,499
Issue of shares during the year	5,713	5,615
Redemption of shares during the year	-	-
Balance at end of year	1,992,827	1,987,114
Class G (South African Pension Funds Accumulating)*		
Balance at start of the year	-	-
Issue of shares during the year	751,179	-
Redemption of shares during the year	-	-
Balance at end of year	751,179	-
Class H (South African Insurance Companies Accumulating)**		
Balance at start of the year	-	-
Issue of shares during the year	658,395	-
Redemption of shares during the year	-	-
Balance at end of year	658,395	-

* Class G (South African Pension Funds Accumulating) Shares launched on 6 November 2018.
** Class H (South African Insurance Companies Accumulating) Shares launched on 12 February 2019.

10. Related Parties

The Directors of the Manager, the Manager, the Investment Manager, Promoter, Distributor and the Secretary to the Manager are the related parties under IAS 24 “Related Party Transactions”. The names of the Directors of the Manager who served office during the financial year are detailed on page 1.

Management fees and Investment Manager fees for the financial year ended 30 September 2019 and 30 September 2018 are disclosed in note 3.

The Money Laundering Reporting Officer (the "MLRO") is an employee of Clifton Fund Consulting Limited, which is part of the same economic group as the Manager. The MLRO fee for the financial year amounted to USD 11,149 (2018: USD 15,042) and the amount outstanding as at 30 September 2019 was USD Nil (2018: USD 816).

Significant shareholders
At 30 September 2019, one shareholder owned 27.88% (30 September 2018: 29.87%) of the shares of the CCF.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk

In accordance with its investment objective and policy, the CCF holds financial instruments, which at any one time may comprise the following:

- securities held in accordance with the investment objectives and policies
- cash and short-term debtors and creditors arising directly from operations
- borrowing used to finance investment activity

The specific risks arising from the CCF's exposure to these instruments, and the Investment Manager's policies for managing these risks, which have been applied throughout the financial year are summarised below.

The Investment Manager uses the commitment approach to calculate the Sub-Fund's global exposure as a result of the use of Financial Derivative Instruments (FDIs). Accordingly, global exposure and leverage as a result of its investment in FDI shall not exceed 100% of the NAV of the Sub-Fund. There were no FDI held by the Sub-Fund during the financial year ended 30 September 2019 and 30 September 2018.

The valuation policy for the CCF's assets and liabilities is disclosed in Note 2.

Operational Risk

Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and system failures by the Investment Manager or a service provider. For example, trading delays or errors (both human and systemic) could prevent the Sub-Fund from benefiting from potential investment gains or avoiding losses. The Investment Manager is not contractually liable to the Sub-Fund for losses associated with operational risk absent its fraud, gross negligence or willful misconduct.

Other Sub-Fund service providers also have limitations on their liability to the Sub-Fund for losses resulting from their errors. With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, pooled investment vehicles (such as the Sub-Fund) and their service providers (including the Investment Manager) may be prone to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorisation, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Sub-Fund, Investment Manager, Depositary, Transfer Agent, or other affiliated or third-party service provider may adversely affect the Fund or its shareholders.

For instance, cyber-attacks may interfere with the processing of shareholder transactions, affect the Sub-Fund's ability to calculate its NAV, cause the release of private investor information or confidential Sub-Fund information, impede trading, cause reputational damage, and subject the Sub-Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs.

While the Investment Manager and other service providers have established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which the Sub-Fund invests, which could result in material adverse consequences for such issuers, and may cause the Sub-Fund's investment in such securities to lose value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is divided into three distinct sections; market price risk, currency risk and interest rate risk.

Market Price Risk

Market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Investment Manager considers the asset allocation of the portfolio in order to manage the risk associated with particular countries or industry sectors whilst continuing to follow the Sub-Funds' investment objectives.

Market price risk arises mainly from uncertainties about prices of financial instruments in the portfolio of the CCF. The CCF's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Manager in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers set out in the Prospectus mitigates the risk of excessive exposure to any particular type of security or issuer.

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

At 30 September 2019 and at 30 September 2018, the overall market exposures for the Sub-Fund were as follows:

	Veritas Global Focus Common Contractual Fund 30 September 2019		Veritas Global Focus Common Contractual Fund 30 September 2018	
	Fair Value USD	% of net assets valued at fair value USD	Fair Value USD	% of net assets valued at fair value USD
Financial assets at fair value through profit or loss*	887,859,499	83.97%	952,499,442	82.89%
Total	887,859,499	83.97%	952,499,442	82.89%

At 30 September 2019, if the equity prices had increased by 5% with all other variables held constant, this would have increased the Net Assets by USD 44,392,975 (2018: USD 47,624,971). Conversely, if the equity prices had decreased by 5%, this would have decreased the Net Assets by USD 44,392,975 (2018: USD 47,624,972).

* Excluding Investment funds and Deposits with credit institutions.

Value at Risk

The CCF's financial instruments principally comprise equity investments. The Investment Manager employs Returns Based Analysis when monitoring and reporting the Fund's sensitivity to market factors. This analysis allows for a variety of complimentary measures which combine to create a holistic view of the CCF's sensitivity profile. The key measures employed are correlation, beta and Value-at-Risk. Collectively these three measures show the scale of the connection between the fund and the relevant index (MSCI World), together with the likelihood of significant drawdown.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk (continued)

Market Price Risk (continued)

Value at Risk (continued)

The below table provides an analysis of the CCF's equity exposure and the management's best estimate of the effect on net assets and profit of a 5% increase in value of the respective index as at the Statement of Financial Position date. A 5% decrease would have an equal but opposite effect.

	As at 30 September 2019	*As at 30 September 2018*
Equity exposure – Long	84.02%	82.89%
Beta	0.89	0.88
Correlation	0.91	0.89
Effect on net assets of a 5% increase in index	4.8%	4.9%

Beta, Correlation and VaR statistics require a minimum of 36 data points in order to be classified as statistically relevant. All statistics quoted have been constructed using the actual Fund's actual performance history on an ex-post basis. VaR had been calculated on a variance-covariance basis at a 95% confidence level.

	As at 30 September 2019	*As at 30 September 2018*
VaR as at the financial year end	(6.82)%	(7.04)%
Lowest VaR during the financial year	(6.42)%	(7.03)%
Highest VaR during the financial year	(7.97)%	(8.12)%
Average VaR during the financial year	(7.30)%	(7.47)%
Lowest leverage level employed during the financial year	0.00%	0.00%
Highest leverage level employed during the financial year	0.00%	0.00%
Average leverage level employed during the financial year	0.00%	0.00%

Value-at-Risk, as quoted above, has been calculated using Sapiat's risk system: Excerpt. The Value-at-Risk is based on a 25,000 sample Monte Carlo simulation, at 99% confidence level. Leverage is quoted in terms of % greater than Net Asset Value. A 10% level of leverage can be defined as the fund having 110% market exposure of the NAV. Leverage is based on monthly calculations.

Performance statistics require 36 data points in order to be classified as statistically relevant.

Limitations of VaR

The models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns.

The market price risk information is a relative estimate of risk rather than a precise and accurate number.

The market price information represents a hypothetical outcome and is not intended to be predictive (in the case of probability-based methods, such as VaR, profits and losses are almost certain to exceed the reported amount with a frequency depending on the confidence interval chosen); and future market conditions could vary significantly from those experienced in the past.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Changes to prevailing interest rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of fixed income securities will decline. A decline in interest rates will in general have the opposite effect. Other assets and liabilities bear no interest rate risk. The Investment Manager monitors positions on a daily basis. The CCF had not invested in any fixed income securities during the financial year ended 30 September 2019 and 30 September 2018.

At 30 September 2019, the Sub-Fund's interest rate risk exposure is limited to the interest on its cash and cash equivalents and deposits with credit institutions, 30 September 2019: USD 88,015,319 (30 September 2018: USD 150,868,087). At 30 September 2019, if the interest rates had increased/decreased by 5% with all other variables held constant, this would have increased/decreased the Net Assets by USD 4,400,766 (2018: USD 7,543,404).

Foreign Currency Risk

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

A substantial portion of the financial assets and liabilities of the CCF may be denominated in a currency other than the functional currency with the effect that the Statement of Financial Position can be significantly affected by currency movements. Accordingly, the value of the shares may be affected by any currency movement between the currency of the financial assets and financial liabilities and the functional currency. The main exposure to foreign exchange risk is for investments in Euro and Sterling. The proportion of additional currency risk is low. The Euro and Sterling risk can be hedged, if management deems it useful, however there was no hedge in place as at financial year ended 30 September 2019.

The following tables show the total net exposure to foreign currencies and sensitivity analysis of change in currency rates versus USD at 30 September 2019 and 30 September 2018:

	2019 Total net exposure USD	5% sensitivity analysis USD
Veritas Global Focus Common Contractual Fund		
Currency		
Australian dollar	30,674,136	1,533,707
Canadian dollar	(349)	(17)
Euro	136,140,361	6,807,018
Sterling	127,440,012	6,372,001
Swedish krone	30,117,688	1,505,884
Swiss franc	26,224,704	1,311,235
	350,596,552	17,529,828

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk (continued)

Foreign Currency Risk (continued)

	2018 Total net exposure USD	5% sensitivity analysis USD
Veritas Global Focus Common Contractual Fund		
Currency		
Australian dollar	26,091,657	1,242,460
Euro	130,486,236	6,213,630
Sterling	111,666,839	5,317,468
	268,244,732	12,773,558

Liquidity Risk

Liquidity risk is the risk that the CCF will encounter difficulty in meeting obligations associated with financial liabilities.

The CCF's listed securities are considered readily realisable as they are listed on recognised exchanges. The CCF has the ability to restrict redemptions and to borrow in the short term to ensure settlement. No such borrowings have arisen during the financial year ended 30 September 2019 and 30 September 2018.

The CCF may from time to time invest in derivative contracts traded over-the-counter, which are not traded in an organised public market and may be illiquid. As a result, the CCF may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as a deterioration in the creditworthiness of any particular issuer. No such illiquid investments were held at the financial year ended 30 September 2019 and 30 September 2018.

There were no financial liabilities that fall due over 1 month as at 30 September 2019 and as at 30 September 2018.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it entered into with the CCF on behalf of the Sub-Funds. The CCF takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The CCF held no FDIs during the financial year ended 30 September 2019 and 30 September 2018.

The carrying amounts of financial assets and cash and cash equivalents best represent the maximum credit risk exposure at the Statement of Financial Position date. As at 30 September 2019, all securities and cash and cash equivalents are held by the Depositary, Brown Brothers Harriman Trustee Services (Ireland) Limited, whose parent company Brown Brothers Harriman & Co. was rated A+ by Fitch rating agency. As at 30 September 2018, all securities and cash and cash equivalents were held by the Depositary, State Street Custodial Services (Ireland) Limited, whose parent company State Street Corporation was rated A as at 30 September 2018 by Standard and Poor’s rating agency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

11. Financial Instruments and Risk (continued)

Credit Risk (continued)

The following table shows credit ratings for financial institutions where cash balances were held as at 30 September 2019 and 30 September 2018:

	30 September 2019 Standard & Poor's	30 September 2018 Standard & Poor's
ANZ	AA-	-
Brown Brothers Harriman & Co.	A+*	-
Clydesdale Bank	-	BBB+
JPMorgan	A-	-
State Street Bank & Trust Company	-	A
Sumitomo	A	-

* Fitch rating.

12. Efficient Portfolio Management

The Manager, on behalf of the Sub-Fund may employ techniques and instruments as described in the Prospectus or the Supplement of the Sub-Fund for efficient portfolio management.

The CCF has not entered into any FDIs during the financial year ended 30 September 2019 and 30 September 2018.

13. Foreign Exchange Rates

The following exchange rates (against the USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD at 30 September 2019 and 30 September 2018:

	30 September 2019	30 September 2018
Australian dollar	1.4815	1.3845
Canadian dollar	1.3242	-
Euro	0.9175	0.8618
Sterling	0.8132	0.7675
Swedish krona	9.8388	-
Swiss franc	0.9979	-

14. Distributions

Distributions for the financial year ended 30 September 2019 and 30 September 2018 are detailed in the table below. The amount outstanding as at 30 September 2019 was USD 1,680,766 (2018: USD 1,403,988).

Share Class	Distribution value	Distribution per share	Ex-Date	Payment Date
Class A (UK Pension Funds Distributing) Shares	USD 1,680,766	3.6694	30 September 2019	07 October 2019

Share Class	Distribution value	Distribution per share	Ex-Date	Payment Date
Class A (UK Pension Funds Distributing) Shares	USD 1,403,988	0.9508	28 September 2018	05 October 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)

15. Soft Commissions and Direct Brokerage Services

The CCF has not entered into any soft commission or direct brokerage services arrangements during the financial year ended 30 September 2019 and 30 September 2018.

16. Net Asset Values

	30 September 2019	30 September 2018	30 September 2017
Published Net Asset Value			
Class A (UK Pension Funds Distributing) Shares	GBP 74,082,180	GBP 219,442,175	GBP 291,854,989
Class B (UK Pension Funds Accumulating) Shares	GBP 504,105,336	GBP 521,134,108	GBP 658,145,796
Class F (Canadian Pension Funds Accumulating) Shares	CAD 255,723,343	CAD 237,605,476	CAD 209,662,789
Class G (South African Pension Funds Accumulating) Shares*	USD 82,801,754	-	-
Class H (South African Insurance Companies Accumulating) Shares**	USD 70,405,335	-	-
Number of Shares			
Class A (UK Pension Funds Distributing) Shares	458,051	1,476,668	2,192,166
Class B (UK Pension Funds Accumulating) Shares	2,782,638	3,188,723	4,521,317
Class F (Canadian Pension Funds Accumulating) Shares	1,992,827	1,987,114	1,981,499
Class G (South African Pension Funds Accumulating) Shares*	751,179	-	-
Class H (South African Insurance Companies Accumulating) Shares**	658,395	-	-
Published Net Asset Value per Share			
Class A (UK Pension Funds Distributing) Shares	GBP 161.73	GBP 148.61	GBP 133.14
Class B (UK Pension Funds Accumulating) Shares	GBP 181.16	GBP 163.43	GBP 145.57
Class F (Canadian Pension Funds Accumulating) Shares	CAD 128.32	CAD 119.57	CAD 105.81
Class G (South African Pension Funds Accumulating) Shares*	USD 110.23	-	-
Class H (South African Insurance Companies Accumulating) Shares**	USD 106.93	-	-

* Class G (South African Pension Funds Accumulating) Shares launched on 6 November 2018.
** Class H (South African Insurance Companies Accumulating) Shares launched on 12 February 2019.

17. Commitment and Contingent Liabilities

There are no significant commitments or contingent liabilities as at 30 September 2019 and 30 September 2018.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(CONTINUED)

18. Significant events during the reporting financial year

New Share Classes, Class G (South African Pension Funds Accumulating) and Class H (South African Insurance Companies Accumulating) were launched on 6 November 2018 and 12 February 2019, respectively.

An application was made to the Central Bank seeking the Central Bank's approval of (i) the change of depositary from State Street Custodial Services (Ireland) Limited to Brown Brothers Harriman Trustee Services (Ireland) Limited; and (ii) the change of administrator from State Street Fund Services (Ireland) Limited to Brown Brothers Harriman Fund Administration Services (Ireland) Limited. The change took place on 1 July 2019.

There were no other significant events during the financial year, other than those disclosed above, which require adjustment to, or disclosure in the financial statements.

19. Significant events after the reporting financial year

There have been no significant events after the reporting financial year end.

20. Approval of Financial Statements

The financial statements were approved by the Directors of the Manager on 27 January 2020.

SUPPLEMENTAL INFORMATION (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

Significant Changes in Portfolio Composition (unaudited)

Listed below are the largest cumulative investment purchases during the financial year ended 30 September 2019 in excess of 1% of total purchases. At minimum, the 20 largest purchases are to be disclosed.

Purchases	Cost USD
JP Morgan Liquidity Funds - US Dollar Liquidity Fund	270,652,230
Morgan Stanley Liquidity Funds – US Dollar Liquidity Fund	70,168,707
Cigna Corp	61,048,090
BAE Systems Plc	47,886,317
Alphabet Inc	42,208,228
Philip Morris International	41,909,282
Svenska Handelsbanken AB	40,337,481
Canadian Pacific Railway Ltd	29,934,680
S&P Global Inc	25,739,725
Unilever NV	25,274,794
Intercontinental Exchange Inc	25,096,819
Nestle SA	23,920,462
Facebook Inc	21,908,101
Baxter International Inc	17,721,224
Cooper Cos Inc	15,563,215
Sonic Healthcare Ltd	15,410,671
Charter Communications Inc	14,513,241
Aena SA	12,369,886
Airbus SE	11,015,641
Microsoft Corp	10,051,954

SUPPLEMENTAL INFORMATION (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(CONTINUED)

Significant Changes in Portfolio Composition (unaudited) (continued)

Listed below are the largest cumulative investment sales during the financial year ended 30 September 2019 in excess of 1% of total sales. At minimum, the 20 largest sales are to be disclosed.

Sales	Proceeds USD
JP Morgan Liquidity Funds - US Dollar Liquidity Fund	275,536,928
Cigna Corp	82,760,045
American Express Co	56,994,879
Charter Communications Inc	42,053,918
Allegran Plc	32,018,665
Comcast Corp	31,830,979
Morgan Stanley Liquidity Funds – US Dollar Liquidity Fund	29,000,000
Oracle Corp	28,264,366
CVS Health Corp	26,149,402
Safran SA	25,507,005
Microsoft Corp	24,195,416
Dentsply Sirona Inc	23,963,751
Unilever NV	23,473,377
Qualcomm Inc	22,688,023
Waters Corp	22,432,036
Alphabet Inc	22,368,009
Rolls-Royce Holdings Plc	20,891,331
Baidu Inc	19,358,743
Thermo Fisher Scientific Inc	18,590,711
Baxter International Inc	17,431,673
UnitedHealth Group Inc	17,061,522
Cerner Corp	16,861,065
Sonic Healthcare Ltd	14,753,466
Black Knight Inc	14,668,749
Facebook Inc	10,258,255

SUPPLEMENTAL INFORMATION (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(CONTINUED)

Reconciliation to Dealing NAV

The NAV per share at which shareholders may subscribe to or redeem from the Sub-Fund, differs from the NAV per the financial statements. The difference is due to the treatment of prepaid establishment expenses and as of dealing. In accordance with provisions of the CCF's Deed of Constitution, these organisational expenses are being amortised over 60 months. However, for the purposes of these financial statements, organisational expenses have been expensed as incurred in line with IFRS.

Veritas Global Focus Common Contractual Fund	**30 September 2019**	**30 September 2018**
	USD	**USD**
Published Net Asset Value	1,057,348,505	1,149,039,535
Adjustment for as of dealing	29,890	-
Establishment expenses	(27,814)	(51,345)
Net Asset Value per financial statements	1,057,350,581	1,148,988,190

Remuneration Policy

The Manager has designed and implemented a remuneration policy (the Policy) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (AIFM Regulations), S.I. 230 of 2019 (Central Bank (Supervision and Enforcement) Act 2013 Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (UCITS Regulations) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the ESMA Guidelines).

The Manager's remuneration policy applies to its identified staff whose professional activities might have a material impact on the CCF's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the CCF. The Manager's policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager's remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager's remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the CCF.

This disclosure is made in respect of the remuneration policies of the Manager. The disclosure is made in accordance with the UCITS V Directive as included in the ESMA guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the CCF that have a material impact on the CCF's risk profile during the financial year to:

	31 December 2018
	EUR
Fixed remuneration	
Senior management	75,600
Other identified staff	42,500
Variable remuneration	
Senior management	-
Other identified staff	-
Total remuneration paid	118,100

No of identified staff – 4

Note 11 to the financial statements describes the risks associated with investing in the CCF. For additional information regarding the CCF's risk profile and information regarding how the Manager seeks to manage conflicts of interest, please refer to the CCF's Prospectus.

SUPPLEMENTAL INFORMATION (UNAUDITED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019
(CONTINUED)

Remuneration Policy (continued)

Veritas Asset Management LLP has been appointed as the Investment Manager to the CCF. The Investment Manager has remuneration policies and practices which apply to its staff whose professional activities might have a material impact on the CCF's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the CCF ("Identified Staff") which it believes are: (i) consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the investment objectives and policies and the investment restrictions and (ii) appropriate to the size, internal organisation and the nature, scope and complexity of the Investment Manager's activities.

The current remuneration policy of the Investment Manager is to pay all Identified Staff a fixed component and a variable component. Where variable remuneration is paid to the Identified Staff of the Investment Manager, this will be based on a combination of the assessment of the performance of the individual, of the relevant UCITS Managed Fund and of the overall performance of the Investment Manager. When assessing individual performance, financial as well as non-financial criteria are taken into account. The discretionary process for allocating variable remuneration takes a variety of factors into account. The assessment of performance is set in a multi-year framework appropriate to the life-cycle of the relevant UCITS Managed Fund in order to ensure that the assessment process is based on longer term performance.

The Investment Manager (i) does not pay guaranteed variable remuneration to the staff responsible for managing the assets of the CCF; and (ii) ensures that payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

The total number of Identified Staff of the Investment Manager as at 30 September 2019 was 21.

The Investment Manager's pay to Identified Staff relates to all funds and mandates which the Identified Staff currently manage. The assets under management of the Identified Staff as at 30 September 2019 was USD 22.7bn of which the CCF represents USD 1.057bn or 4.7% of total assets managed by the Identified Staff.