

# Veritas Next Edge Premium Yield Fund

Annual Financial Statements – 2025  
As at and for the year ended December 31, 2025



NEXTEDGE  
CAPITAL

# Veritas Next Edge Premium Yield Fund

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# Veritas Next Edge Premium Yield Fund

## Management's responsibility for financial reporting

Next Edge Capital Corp. (the "Manager") is responsible for the accompanying financial statements of Veritas Next Edge Premium Yield Fund (the "Fund") and all the information in this report. These financial statements have been approved by the Board of Directors of Next Edge Capital Corp., as Manager and Trustee. The financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect management's judgment and best estimates.

Management has established systems of internal controls that provide assurance that assets are safeguarded from loss or unauthorized use and produce reliable accounting records for the preparation of financial information. The systems of internal controls meet management's responsibilities for the integrity of the financial statements.

The Manager recognizes its responsibility to conduct the Fund's affairs in the best interest of its unitholders.

Respectfully,



Robert Anton  
President



David Scobie  
Chief Operating Officer

Next Edge Capital Corp.  
March 30, 2026

## Independent Auditor's Report

To the Unitholders of  
Veritas Next Edge Premium Yield Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines 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, management is responsible for assessing the Fund'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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

## Auditor's 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 auditor's 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 Canadian GAAS 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.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
March 30, 2026

# Veritas Next Edge Premium Yield Fund

## Statements of financial position

As at December 31,	Notes	2025	2024
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	6	8,547,438	5,707,161
Cash		36,219	200,918
Margin		6,854	7,191
Subscriptions receivable		34,773	-
Dividends receivable		24,231	12,250
<b>Total assets</b>		<b>8,649,515</b>	<b>5,927,520</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss	6	46,697	6,430
Administration fees payable		-	23,790
Management fees payable	9,10	17,382	21,890
Harmonized Sales Tax payable		1,718	4,908
<b>Total liabilities</b>		<b>65,797</b>	<b>57,018</b>
<b>Net assets attributable to holders of redeemable units</b>		<b>8,583,718</b>	<b>5,870,502</b>
<b>Net assets attributable to holders of redeemable units per class</b>			
Class A		1,301,868	697,185
Class F		7,281,850	5,173,317
		<b>8,583,718</b>	<b>5,870,502</b>
<b>Number of redeemable units outstanding per class</b>			
Class A	7	96,548	62,417
Class F	7	519,233	450,216
<b>Net assets attributable to holders of redeemable units per Unit</b>			
Class A		13.48	11.17
Class F		14.02	11.49

Approved by Next Edge Capital Corp.



Robert Anton  
President



David Scobie  
Chief Operating Officer

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

# Veritas Next Edge Premium Yield Fund

## Statements of comprehensive income

For the years ended December 31,	Notes	2025	2024
<b>Income</b>			
Interest income for distribution purposes		5,010	29,290
Dividends		171,513	431,836
Foreign currency gain (loss) on cash and other net assets		(902)	2,202
Net realized gain (loss) on sale of investments		746,882	2,274,006
Net change in unrealized (depreciation) appreciation on investments		817,096	(310,757)
Net gains on investments		1,563,978	1,963,249
<b>Total income</b>		<b>1,739,599</b>	<b>2,426,577</b>
<b>Expenses</b>			
Management fees	9,10	57,594	134,997
Administrative fees		192,883	187,601
Audit fees		55,865	92,619
Legal fees		42,243	31,531
Harmonized Sales Tax		13,195	28,795
Transaction costs		10,373	23,814
Unitholder reporting costs		1,094	7,638
Independent Review Committee fees	10	15,705	14,426
Custody fees		4,698	4,615
Interest expense		2,359	9,910
Withholding tax		659	222
		396,668	536,168
Less: expenses absorbed by the Manager	10	(257,282)	(205,246)
<b>Total expenses</b>		<b>139,386</b>	<b>330,922</b>
<b>Increase in net assets attributable to holders of redeemable units</b>		<b>1,600,213</b>	<b>2,095,655</b>
<b>Increase in net assets attributable to holders of redeemable units per class</b>			
Class A		195,996	120,522
Class F		1,404,217	1,975,133
		<b>1,600,213</b>	<b>2,095,655</b>
<b>Average number of units outstanding</b>			
Class A		64,961	89,508
Class F		436,883	1,320,882
<b>Increase in net assets attributable to holders of redeemable units per Unit</b>			
Class A		3.02	1.35
Class F		3.21	1.50

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

# Veritas Next Edge Premium Yield Fund

## Statements of changes in net assets attributable to holders of redeemable units

<b>For the years ended December 31,</b>	<b>2025</b>	<b>2024</b>
<b>Class A</b>		
Beginning of year	697,185	792,182
Increase in net assets attributable to holders of redeemable units from operations	195,996	120,522
<b>Redeemable Units Transactions</b>		
Proceeds from issuance of units	623,196	267,500
Reinvestment of distributions to holders of redeemable units	45,438	51,874
Consideration paid for redemption of units	(214,509)	(486,333)
	454,125	(166,959)
<b>Distributions to Holders of Redeemable Units</b>		
From net investment income	(45,438)	(48,560)
	(45,438)	(48,560)
<b>End of year</b>	<b>1,301,868</b>	<b>697,185</b>
<b>Class F</b>		
Beginning of year	5,173,317	20,868,077
Increase in net assets attributable to holders of redeemable units from operations	1,404,217	1,975,133
<b>Redeemable Units Transactions</b>		
Proceeds from issuance of units	2,583,796	2,954,129
Reinvestment of distributions to holders of redeemable units	236,295	509,423
Consideration paid for redemption of units	(1,805,315)	(20,435,262)
	1,014,776	(16,971,710)
<b>Distributions to Holders of Redeemable Units</b>		
From net investment income	(310,460)	(698,183)
	(310,460)	(698,183)
<b>End of year</b>	<b>7,281,850</b>	<b>5,173,317</b>

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

# Veritas Next Edge Premium Yield Fund

## Statements of cash flows

For the years ended December 31,	2025	2024
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units	1,600,213	2,095,655
<b>Adjustments in net assets attributable to holders to net cash from operating activities</b>		
Proceeds from sale of investments	6,662,085	31,441,901
Purchase of investments	(7,898,117)	(13,534,017)
Foreign currency (gain) loss on cash and other net assets	902	(2,202)
Change in unrealized depreciation (appreciation) of investments and derivatives	(817,096)	310,757
Net realized (gain) on sale of investments	(746,882)	(2,274,006)
(Increase) decrease in dividends receivable	(11,981)	44,194
Increase (decrease) in other payables and accrued liabilities	(31,488)	(71,500)
Change in margin	337	(7,191)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,242,027)</b>	<b>18,003,591</b>
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(74,165)	(276,074)
Proceeds from redeemable units issued	3,172,219	3,223,763
Amount paid on redemption of redeemable units	(2,019,824)	(20,931,610)
<b>Net cash provided by (used in) financing activities</b>	<b>1,078,230</b>	<b>(17,983,921)</b>
Foreign currency gain (loss) on cash and other net assets	(902)	2,202
Net increase (decrease) in cash	(164,699)	21,872
Cash, beginning of year	200,918	179,046
<b>Cash, end of year</b>	<b>36,219</b>	<b>200,918</b>
Supplemental disclosure of cash flow information:		
Interest received	5,010	29,290
Dividends received, net of withholding taxes	158,873	475,808

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

# Veritas Next Edge Premium Yield Fund

## Schedule of investments

As at December 31, 2025

No. of Shares	Securities by Sector	Average Cost (\$)	Fair Value (\$)
	<b>Long Positions (99.6%)</b>		
	<b>Canadian Equities (92.1%)</b>		
	<b>Automobiles &amp; Components (3.7%)</b>		
3,800	Linamar Corp.	299,654	315,248
	<b>Automobiles &amp; Components Total</b>	<b>299,654</b>	<b>315,248</b>
	<b>Banks (11.0%)</b>		
2,500	Canadian Imperial Bank of Commerce	260,326	311,075
1,340	Royal Bank of Canada	229,344	313,547
2,450	The Toronto-Dominion Bank	193,649	316,932
	<b>Banks Total</b>	<b>683,319</b>	<b>941,554</b>
	<b>Capital Goods (7.5%)</b>		
3,617	AtkinsRealis Group Inc.	249,133	320,466
1,395	Bombardier Inc.	79,705	325,732
	<b>Capital Goods Total</b>	<b>328,838</b>	<b>646,198</b>
	<b>Consumer Discretionary Distribution &amp; Retail (3.5%)</b>		
1,475	Dollarama Inc.	271,581	302,582
	<b>Consumer Discretionary Distribution &amp; Retail Total</b>	<b>271,581</b>	<b>302,582</b>
	<b>Consumer Staples Distribution &amp; Retail 7.5%)</b>		
4,294	Alimentation Couche-Tard Inc.	312,200	321,877
5,160	Loblaw Cos., Ltd.	186,011	320,178
	<b>Consumer Staples Distribution &amp; Retail Total</b>	<b>498,211</b>	<b>642,055</b>
	<b>Energy (18.3%)</b>		
6,900	Canadian Natural Resources Ltd.	288,518	320,781
4,800	Enbridge Inc.	279,150	315,264
8,254	South Bow Corp.	280,404	311,589
4,100	TC Energy Corp.	312,573	309,878
5,115	Tourmaline Oil Corp.	326,398	314,931
	<b>Energy Total</b>	<b>1,487,043</b>	<b>1,572,443</b>
	<b>Equity Real Estate Investment Trusts (REITs) (3.7%)</b>		
3,898	Granite Real Estate Investment Trust	285,254	318,506
	<b>Equity Real Estate Investment Trusts (REITs) Total</b>	<b>285,254</b>	<b>318,506</b>
	<b>Insurance (3.7%)</b>		
3,700	Sun Life Financial Inc.	308,166	317,016
	<b>Insurance Total</b>	<b>308,166</b>	<b>317,016</b>
	<b>Materials (14.8%)</b>		
1,396	Agnico Eagle Mines Ltd.	137,734	324,932
5,254	Barrick Gold Corp.	129,660	314,137
11,720	Hudbay Minerals Inc.	165,087	319,370

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

# Veritas Next Edge Premium Yield Fund

## Schedule of investments (continued)

As at December 31, 2025

No. of Shares	Securities by Sector	Average Cost (\$)	Fair Value (\$)
3,700	Nutrien Ltd.	281,510	313,464
	<b>Materials Total</b>	<b>713,991</b>	<b>1,271,903</b>
	<b>Telecommunication Services (7.4%)</b>		
4,832	Cogeco Communications Inc.	291,716	321,182
6,110	Rogers Communications Inc.	225,935	316,559
	<b>Telecommunication Total</b>	<b>517,651</b>	<b>637,741</b>
	<b>Transportation (11.0%)</b>		
16,600	Air Canada	308,383	320,214
3,170	Canadian Pacific Kansas City Ltd.	324,084	320,329
2,170	TFI International Inc.	276,973	307,858
	<b>Transportation Total</b>	<b>909,440</b>	<b>948,401</b>
	<b>Total Canadian Equities</b>	<b>6,303,148</b>	<b>7,913,647</b>
	<b>United States Equities (3.7%)</b>		
	<b>Materials (3.7%)</b>		
2,330	Newmont Corp.	243,977	318,905
	<b>Materials Total</b>	<b>243,977</b>	<b>318,905</b>
	<b>Total United States Equities</b>	<b>243,977</b>	<b>318,905</b>
	<b>Foreign Equities (3.7%)</b>		
	<b>Utilities (3.7%)</b>		
6,600	Brookfield Infrastructure Partners LP	328,216	314,886
	<b>Utilities Total</b>	<b>328,216</b>	<b>314,886</b>
	<b>Total Foreign Equities</b>	<b>328,216</b>	<b>314,886</b>
	<b>Total Long Positions</b>	<b>6,875,341</b>	<b>8,547,438</b>
	<b>Short Positions (-0.5%)</b>		
	Written Options (See Options Details)	(46,905)	(46,697)
	<b>Total Short Positions</b>	<b>(46,905)</b>	<b>(46,697)</b>
	<b>Transaction Costs</b>	<b>(2,239)</b>	<b>-</b>
	<b>Total Investment Portfolio (99.0%)</b>	<b>6,826,197</b>	<b>8,500,741</b>
	<b>Cash (0.4%)</b>		<b>36,219</b>
	<b>Other assets net of liabilities (0.6%)</b>		<b>46,758</b>
	<b>Total net assets attributable to holders of redeemable units (100.0%)</b>		<b>8,583,718</b>

The accompanying notes are an integral part of these financial statements

# Veritas Next Edge Premium Yield Fund

## Schedule of investments (continued)

As at December 31, 2025

Option Details						
Underlying Interest	Option Type	Number of Options	Strike Price (\$)	Expiry Date	Average Cost (\$)	Fair Value (\$)
<b>Written Options</b>						
AGNICO EAGLE MINES LTD@248 CALL OPT 16 JAN 26	CALL	(8)	248	January 16, 2026	(2,720)	(1,712)
AIR CANADA@19.5 CALL OPT 16 JAN 26	CALL	(54)	20	January 16, 2026	(1,350)	(1,917)
AIR CANADA@20.5 CALL OPT 16 JAN 26	CALL	(50)	21	January 16, 2026	(1,350)	(400)
ALIMENTATION COUCHE-TARD INC@76 CALL OPT 16 JAN 26	CALL	(13)	76	January 16, 2026	(924)	(852)
ALMNTTN CCH-TRD INC@75 CALL OPT 09 JAN 26	CALL	(14)	75	January 9, 2026	(924)	(1,148)
ATKNSRLS GRP INC@92 CALL OPT 16 JAN 26	CALL	(23)	92	January 16, 2026	(2,626)	(1,990)
BARRICK MINING CORP@66 CALL OPT 23 JAN 26	CALL	(40)	66	January 23, 2026	(3,183)	(2,560)
BOMBARDIER INC@228 CALL OPT 02 JAN 26	CALL	(9)	228	January 2, 2026	(3,060)	(5,581)
BROOKFIELD INFRASTRUCTURE@50 CALL OPT 16 JAN 26	CALL	(5)	50	January 16, 2026	(300)	(40)
CANADIAN IMPERIAL BANK@128 CALL OPT 16 JAN 26	CALL	(10)	128	January 16, 2026	(1,340)	(290)
CNDN IMPRL BNK OF CMM@130 CALL OPT 16 JAN 26	CALL	(7)	130	January 16, 2026	(645)	(67)
CNDN NTRL RSRCS LTD@45 CALL OPT 16 JAN 26	CALL	(21)	45	January 16, 2026	(1,155)	(3,771)
COGECO COMMUNICATIONS INC@68 CALL OPT 16 JAN 26	CALL	(20)	68	January 16, 2026	(1,800)	(1,771)
DOLLARAMA INC@205 CALL OPT 16 JAN 26	CALL	(5)	205	January 16, 2026	(900)	(1,425)
DOLLARAMA INC@206 CALL OPT 16 JAN 26	CALL	(5)	206	January 16, 2026	(600)	(1,125)
GRNT RL ESTT INVSTMNT@80 CALL OPT 16 JAN 26	CALL	(14)	80	January 16, 2026	(1,120)	(2,905)
HUBBAY MINERALS INC@28.5 CALL OPT 16 JAN 26	CALL	(43)	29	January 16, 2026	(2,365)	(2,408)
HUBBAY MINERALS INC@29 CALL OPT 16 JAN 26	CALL	(44)	29	January 16, 2026	(2,464)	(1,892)
LINAMAR CORP@86 CALL OPT 16 JAN 26	CALL	(21)	86	January 16, 2026	(2,181)	(1,733)
LINAMAR CORP@88 CALL OPT 16 JAN 26	CALL	(4)	88	January 16, 2026	(440)	(170)
LOBLAW COS LTD@64 CALL OPT 16 JAN 26	CALL	(34)	64	January 16, 2026	(1,700)	(663)
NUTRIEN LTD@88 CALL OPT 16 JAN 26	CALL	(11)	88	January 16, 2026	(1,133)	(506)
NUTRIEN LTD@89 CALL OPT 23 JAN 26	CALL	(13)	89	January 23, 2026	(975)	(650)

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

# Veritas Next Edge Premium Yield Fund

## Schedule of investments (continued)

As at December 31, 2025

<b>Option Details</b>						
<b>Underlying Interest</b>	<b>Option Type</b>	<b>Number of Options</b>	<b>Strike Price (\$)</b>	<b>Expiry Date</b>	<b>Average Cost (\$)</b>	<b>Fair Value (\$)</b>
ROGERS COMMUNICATIONS INC@52 CALL OPT 16 JAN 26	CALL	(18)	52	January 16, 2026	(1,224)	(1,170)
ROYAL BANK OF CANADA@230 CALL OPT 16 JAN 26	CALL	(10)	230	January 16, 2026	(1,890)	(5,526)
SUN LIFE FINANCIAL INC@85 CALL OPT 09 JAN 26	CALL	(15)	85	January 9, 2026	(975)	(1,680)
TFI INTERNATIONAL INC@155 CALL OPT 16 JAN 26	CALL	(16)	155	January 16, 2026	(4,920)	(1,120)
TORONTO-DOMINION BANK@132 CALL OPT 30 JAN 26	CALL	(17)	132	January 30, 2026	(1,441)	(1,165)
TOURMALINE OIL CORP@63 CALL OPT 09 JAN 26	CALL	(20)	63	January 9, 2026	(1,200)	(460)
<b>Total options</b>					<b>(46,905)</b>	<b>(46,697)</b>

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

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements

### 1. FUND INFORMATION

Veritas Next Edge Premium Yield Fund (the “Fund”) is a mutual fund trust established as a trust under the laws of the Province of Ontario and governed by a declaration of trust dated October 15, 2021. The Fund is divided into units of participation (“Units”) representing an interest in the Fund held by Unitholders. The Fund has three classes of Units: Class A Units, Class F Units, and Class I Units. The Fund may have an unlimited number of classes of units and may issue an unlimited number of Units of each class. All classes of Units of the Fund are redeemable at the unitholders' option. Each class of Units is intended for different types of investors. All of the classes of Units have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees, commissions or distributions. The net asset value per unit (“NAV per unit”) of each class is not the same as a result of the different fees, expenses and distributions allocable to each class of Units.

The Fund seeks to provide long-term growth of capital and income by investing primarily in equity securities of Canadian issuers and to provide monthly cash distributions. The Fund engages in covered option writing strategies to enhance the yield of the Fund's investment portfolio.

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of securities selected by Veritas Asset Management Inc., which is based upon independent equity research provided by its affiliate, Veritas Investment Research Corporation (referred to as the “Veritas Portfolio”). The Fund's sub advisor is Veritas Asset Management Inc. (the “Sub Advisor”).

The Fund is managed by Next Edge Capital Corp. (the “Manager”). The custodian, registrar, transfer agent and valuation agent of the Fund is RBC Investor Services Trust. The registered office of the Fund is located at 18 King Street East, Suite 902, Toronto, Ontario, Canada, M5C 1C4.

The financial statements were approved for issuance by the Manager on March 30, 2026.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on a going concern basis using the historical-cost convention. However, the Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS Accounting Standards as issued by the IASB. Accordingly, the Fund's accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the NAV for transactions with unitholders.

In applying IFRS Accounting Standards as issued by the IASB, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Actual results may differ from such estimates.

The financial statements have been presented in Canadian dollars, the Fund's functional currency.

### 3. MATERIAL ACCOUNTING POLICIES

#### Financial instruments

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Purchases and sales of financial assets are recognized at their trade date. The Fund's investments are designated as fair value through profit or loss (“FVTPL”) upon initial recognition and are measured at FVTPL. The Fund's obligation for net assets attributable to holders of redeemable units is presented

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate.

Financial instruments include financial assets and liabilities such as equity securities, derivatives, cash and other trade receivables and payables. All financial assets and liabilities are recognized in the statements of financial position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership.

#### Classification and measurement

The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). The standard requires financial assets to be classified as amortized cost, FVTPL, or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgment. The Fund classifies investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess performance and to make decisions. Consequently, all investments are measured at FVTPL.

More specifically, the Fund's investments, derivative assets and liabilities, and short sales, if any, are measured at FVTPL. The Fund's obligation for NAV attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

#### Impairment

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets that are measured at amortized cost or FVOCI. Financial assets held by the Fund that are measured at FVTPL will not be subject to the impairment requirements.

With respect to receivables, the Fund considers both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement date, all receivables are due to be settled within the short term. The Fund considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. No loss allowance has been recognized as any such impairment will not have a material impact on the financial statements.

#### Fair value and subsequent measurement of financial instruments

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 values of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Unlisted securities are determined by the Manager on the basis of the latest reported information available. Fixed income securities, debentures and other debt instruments, including short-term investments, are valued at the quotation from recognized investment dealers.

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

The Fund may engage in option contract transactions by purchasing (long positions) or writing (short positions) call or put option contracts. These contracts have different risk exposures for the Fund: whereas the risk for long positions will be limited to the premium paid to purchase the option contracts, the risk exposure for short positions is potentially unlimited until closed or expired.

The premium paid for purchasing an option is recorded as an asset in the statements of financial position. The premium is valued as at the close of business on every business day, or, if not a business day, on the following business day and on any other day as the Manager determines (a "Valuation Date") at an amount equal to the fair value of the option that would have the effect of closing the position. The change in the difference between the premium and the fair value is shown as "Net change in unrealized appreciation (depreciation) on investments" in the statements of comprehensive income. When a purchased option expires, the Fund will realize a loss equal to the premium paid. When a purchased option is closed, the gain or loss the Fund will realize will be the difference between the proceeds and the premium paid. When a purchased call option is exercised, the premium paid is added to the cost of acquiring the underlying security. When a purchased put option is exercised, the premium paid is subtracted from the proceeds from the sale of the underlying security that had to be sold.

The premium received from writing a call or put option is recorded as a liability in the statements of financial position. When a written option expires, the Fund will realize a gain equal to the premium received. When a written option is closed, the Fund will realize a gain or loss equal to the difference between the cost at which the contract was closed and the premium received. When a written call option is exercised, the premium received is added to the proceeds from the sale of the underlying investments to determine the realized gain or loss. When a written put option is exercised, the premium received will be subtracted from the cost of the underlying investment the Fund had purchased. The gain or loss that the Fund realizes when a purchased or written option is expired or closed is recorded as "Net realized gain (loss) on sale of investments" in the statements of comprehensive income.

#### **Net assets attributable to holders of redeemable units**

Net assets attributable to holders of redeemable units are classified as financial liabilities and are redeemable at the unitholder's option at prices based on the Fund's NAV per unit at the time of redemption. The amounts are continuously measured at their redemption value.

The NAV measured as at the Valuation Date will be obtained by the valuation agent by taking the then fair value of the assets of the Fund less the aggregate amount of its liabilities excluding those attributable to holders of redeemable units. The NAV per unit of any class of units of the Fund for a Valuation Date will be obtained by dividing the then fair value of the assets of the Fund less the aggregate amount of its liabilities (excluding those attributable to holders of redeemable units) in each case attributable to that class of units, by the total number of units of the class outstanding at the time the calculation is made on the Valuation Date and adjusting the result to a maximum of four decimal places.

For each Fund unit sold, the Fund receives an amount equal to the NAV per unit, on the date of the transaction. Units are redeemable at the option of the unitholders at their NAV per unit on the redemption date. For each unit redeemed, the number of issued and outstanding units is reduced and the net assets attributable to holders of redeemable units are reduced by the related NAV on the date of redemption.

The calculation of the value of net assets attributable to holders of redeemable units for financial statement purposes in accordance with IFRS Accounting Standards as issued by the IASB is consistent with the calculation of the NAV for transactional purposes.

#### **Investment transactions and income recognition**

Investment transactions are accounted for as of the trade date. Income and expenses are recorded on an accrual basis. Interest income for distribution purposes is recorded as it is earned.

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

Dividend revenue is recognized when the Fund's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statements of comprehensive income.

"Interest income for distribution purposes" shown on the statements of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis.

Realized gains and losses from security transactions are calculated using the average cost basis.

The year-over-year change in the difference between fair value and the average cost is shown as the net change in unrealized appreciation (depreciation) on investments.

Transaction costs such as brokerage commissions incurred in the purchase and sale of securities by the Fund are charged to net income in the year.

#### **Functional and presentation currency**

The Fund's functional and presentation currency is the Canadian dollar ("CAD"), which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in CAD. Therefore, the CAD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's subscriptions and redemptions are denominated in CAD.

The fair value of foreign-currency-denominated portfolio investments, foreign currency holdings and other assets and liabilities denominated in a foreign currency are translated into the Fund's reporting currency using the closing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into the Fund's reporting currency at the rate of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains (losses) relating to cash, receivables and payables are presented as "Foreign currency gain (loss) on cash and other net assets" and those relating to financial instruments classified as held for trading and FVTPL are presented within "Net realized gain (loss) on sale of investments" and "Net change in unrealized appreciation (depreciation) on investments" in the statements of comprehensive income.

#### **Cash**

Cash comprises deposits with financial institutions.

#### **Net assets attributable to holders of redeemable units per unit**

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of the class by the weighted average number of units outstanding of the class during the year.

#### **Income and expense allocation**

The realized and unrealized gains or losses, income, and expenses (other than class-specific operating expenses and management fees) of the Fund are allocated on each Valuation Date to the redeemable participating unitholders in proportion to the respective prior day's NAV, which includes redeemable participating unitholder trades dated for that day, of each class at the date on which the allocation is made. Class-specific operating expenses and management fees are applied to the corresponding classes accordingly. All operating expenses are paid by the Manager and are collected from the Fund on a recoverable basis.

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements (continued)

### Taxation

The Fund is a mutual fund trust under the *Income Tax Act* (Canada) (the “Tax Act”). All of the Fund’s net income for tax purposes and sufficient net capital gains realized in any year are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes. Since the Fund does not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statements of financial position as a deferred income tax asset. See note 8.

#### 4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

##### IFRS 18, *Presentation and Disclosure in Financial Statements*

IFRS 18, *Presentation and Disclosure in Financial Statements* replaces IAS 1, *Presentation of Financial Statements* effective for annual periods beginning on or after January 1, 2027. The standard aims to improve financial statement compatibility and transparency by introducing a more structured statement of comprehensive income. It is anticipated the Fund’s classification of income and expenses, particularly within the operating category, will be impacted. The Manager is actively assessing the implications of IFRS 18 and its impact on the Fund’s financial statements and disclosures.

#### 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

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

##### **Fair value measurement of investments and derivatives not quoted in active market**

The Fund may, from time to time, hold financial instruments that are not quoted in active markets, such as unlisted securities, private securities or derivatives. Unlisted securities are valued based on price quotations from recognized investment dealers, or failing that, their fair value is determined by the Manager on the basis of the latest reported information available. The fair value of private securities is determined by using valuation models that may be based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indications of value. These values are independently assessed by the Manager to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for these securities may be materially different from the values that would have been used had a ready market for the investment existed.

The fair values of private securities are affected by the perceived credit risks of the issuer, predictability of cash flows and the length of time to maturity.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements (continued)

### 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's activities expose it to a variety of risks as follows: portfolio concentration risk, credit risk, liquidity risk, market risk (which includes currency risk and other price risk). The Fund is also exposed to commodity sector risk, borrowing risk, credit risk, cybersecurity risk, derivatives risk, equity securities risk, exchange of tax information risk, interest rate risk, legislation and litigation risk, leverage risk, multiple class risk, options risk, price volatility risk, repurchase and reverse repurchase transactions and securities lending risk, sector risk, short selling risk, stock market risk, substantial securityholder risk, and tax risk.

The Fund may invest in or use derivatives for hedging and non-hedging purposes in a manner consistent with the investment objective of the Fund and as permitted by applicable securities legislation. The Fund may utilize currency hedging to minimize the foreign currency risk associated with holding foreign securities. Derivatives to be used by the Fund may include, but are not limited to, non-exchange traded options, forward contracts, futures contracts and swaps. The Fund may also sell short certain securities in accordance with National Instrument 81-102 ("NI 81-102"). Short selling will be used selectively and opportunistically. To do this, the Fund borrows the securities it is selling short, and is under an obligation to return the borrowed securities to the lender at a future date. The Fund is required to pay the lender any distribution declared on the borrowed securities, together with any securities borrowing fees. To return the borrowed securities, the Fund purchases these same securities at a later date, with the result that the Fund will generally make a gain on the short sale if the price of the securities has declined by such date. The short selling activities of the Fund are subject to the limitations set out in NI 81-102 (and as such requirements are applicable to alternative mutual funds).

The Fund may enter into securities lending and repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

#### Portfolio concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is a geographical allocation, asset type, industry sector or counterparty. As the Fund's mandate is to invest predominantly in equity securities of companies that will benefit from rising commodity prices and infrastructure buildout, the Fund is exposed to risks specific to the commodity sector, which is discussed below. Please refer to the schedule of investments for a listing of the Fund's portfolio.

The following tables summarize the investment concentration risks that are relevant for the Fund based on its investment objective. The investment portfolio of the Fund may change due to ongoing portfolio transactions.

Portfolio by Asset Mix	% of Net Asset Value	
	2025	2024
Canadian equities	92.1%	97.2%
United States equities	3.7%	-
Foreign equities	3.7%	-
Equity options	(0.5%)	(0.1%)
Total investments	99.0%	97.1%
Cash	0.4%	3.4%
Other net liabilities	0.6%	(0.5%)
Total net asset value	100.0%	100.0%

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

Portfolio by Industry	% of Net Asset Value	
	2025	2024
Materials	18.5%	14.6%
Energy	18.3%	21.8%
Transportation	11.0%	8.4%
Banks	11.0%	-
Consumer Staples Distribution & Retail	7.5%	4.1%
Capital Goods	7.5%	8.7%
Telecommunication Services	7.4%	-
Utilities	3.7%	6.5%
Equity Real Estate Investment Trusts (REITs)	3.7%	4.0%
Automobiles & Components	3.7%	-
Insurance	3.7%	12.7%
Consumer Discretionary Distribution & Retail	3.5%	4.3%
Media & Entertainment	-	8.5%
Software & Services	-	3.6%
Equity Options	(0.5%)	(0.1%)
Total investments	99.0%	97.1%
Cash	0.4%	3.4%
Other net liabilities	0.6%	(0.5%)
Total net asset value	100.0%	100.0%

Portfolio by Country	% of Net Asset Value	
	2025	2024
Canada	92.1%	97.1%
United States	3.7%	-
International	3.7%	-
Equity Options	(0.5%)	-
Total investments	99.0%	97.1%
Cash	0.4%	3.4%
Other net liabilities	0.6%	(0.5%)
Total net asset value	100.0%	100.0%

#### Credit risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of a debt instrument includes consideration for the creditworthiness of the debt issuer. The carrying amount of debt instruments as shown on the schedule of investments represents the credit risk exposure of the Fund. Credit risk exposure for derivative instruments is based on the Fund's unrealized gain on the contractual obligations with the counterparty as at the reporting date. The credit risk exposure of the Fund's other assets is represented by their carrying amount as disclosed in the statements of financial position.

#### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions. The Fund's policy is to have a majority of its portfolio investments in securities traded on exchanges that are liquid (i.e., investments that can be readily disposed of through market facilities).

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

The Fund may invest in derivatives, debt securities and unlisted equity investments that are not traded in an active market. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at amounts that approximate their fair values or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer. In accordance with the Fund's policy, the Manager monitors the Fund's liquidity position on a daily basis. The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

#### December 31, 2025

<b>Financial liabilities</b>	<b>On demand</b>	<b>&lt; 3 months</b>	<b>Total</b>
Management fees payable	-	17,382	17,382
Financial liabilities at FVTPL	46,697	-	46,697
Harmonized Sales Tax payable	-	1,718	1,718
	<b>46,697</b>	<b>19,100</b>	<b>65,797</b>

#### December 31, 2024

<b>Financial liabilities</b>	<b>On demand</b>	<b>&lt; 3 months</b>	<b>Total</b>
Management fees payable	-	21,890	21,890
Administration fees payable	-	23,790	23,790
Financial liabilities at FVTPL	6,430	-	6,430
Harmonized Sales Tax payable	-	4,908	4,908
	<b>6,430</b>	<b>50,588</b>	<b>57,018</b>

Redeemable units are redeemable on demand at the holder's option. However, the Manager does not expect that the contractual maturity disclosed above will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

#### Market risk

The Fund's investments are subject to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following includes sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ, and the differences could be material.

##### (a) Currency risk

The Fund invests in financial instruments denominated in currencies other than CAD. These investments result in currency risk, which 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 table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2025 and 2024 in CAD terms. The table also illustrates the potential impact on the net assets attributable to holders of redeemable units if CAD had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements (continued)

December 31, 2025	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-monetary	Total	Monetary	Non-monetary
United States dollar	18,964	335,436	354,400	948	16,772	17,720
% of net assets attributable to holders of redeemable units	0.2%	3.9%	4.1%	-	0.2%	0.2%

December 31, 2024	Exposure			Impact on net assets attributable to holders of redeemable units		
	Currency	Monetary	Non-monetary	Total	Monetary	Non-monetary
United States dollar	18,176	12,553	30,729	909	628	1,537
% of net assets attributable to holders of redeemable units	0.3%	0.2%	0.5%	-	-	-

### (b) Other price risk

Other price risk is the risk that the value of portfolio investments will fluctuate as a result of changes in market prices, other than those arising from interest rate or currency risk, whether caused by factors specific to an individual portfolio investment or all factors affecting all investments traded in a market or market segment. All portfolio investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. Please refer to the schedule of investments for a breakdown of the NAV of the Fund by security and sector allocation. Sensitivity against the benchmark was not included as there is an insufficient period of trading to statistically create a meaningful correlation between the performance of the Fund's portfolio investments to the relevant benchmark.

### Fair value measurement

The table below presents financial instruments measured at fair value in the statements of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

As at December 31, 2025, the financial instruments measured at fair value in the statements of financial position are grouped into the fair value hierarchy as follows:

December 31, 2025	Level 1	Level 2	Level 3	Total
Equities - long	8,547,438	-	-	8,547,438
Written options	(46,697)	-	-	(46,697)
	<b>8,500,741</b>	-	-	<b>8,500,741</b>

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements (continued)

December 31, 2024	Level 1	Level 2	Level 3	Total
Equities - long	5,707,161	-	-	5,707,161
Written options	(6,430)	-	-	(6,430)
	<b>5,700,731</b>	-	-	<b>5,700,731</b>

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, dividends receivable, redemptions payable, distributions payable, accrued liabilities and the Fund's obligation for net assets attributable to holders of redeemable units are measured at amortized cost. Fair values are classified as Level 1 when the related security or derivative is actively traded, and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. There were no transfers between any levels of the fair value hierarchy during the years ended December 31, 2025 and 2024.

The Fund held no Level 3 securities for the years ended December 31, 2025 and 2024.

### 7. REDEEMABLE UNITS

For the years ended December 31, 2025 and 2024, the Fund offered three classes of redeemable units: Class A Units, Class F Units, and Class I Units. There are no outstanding units of Class I as at December 31, 2025. The class of Units selected affects the commissions that were payable by an investor, the management fees payable by the Fund, and the compensation that a dealer received in respect of the sale of Units.

All of the classes have the same investment objective, strategy and restrictions but differ in respect of one or more features, such as the management fee, sales commission, and service commission. The NAV per unit of each class would not necessarily be the same as a result of the different fees, expenses and distributions allocable to each class of Units. The Fund and the Manager do not charge a fee or commission when investors purchase Units of the Fund. An authorized broker, dealer or advisor may charge investors an upfront selling commission of up to 3.00% at the time of purchase of Class A Units, which would reduce the amount of money invested in the Class A Units of the Fund.

The number of units issued, redeemed or cancelled during the years ended December 31, 2025 and 2024 for each respective class is summarized in the following tables.

For the years ended December 31,	2025	2024
<b>Class A</b>		
Balance, beginning	62,417	76,586
Units issued for consideration	48,538	25,303
Units reinvested	3,694	4,766
Units redeemed	(18,101)	(44,238)
Balance, ending	<b>96,548</b>	<b>62,417</b>

For the years ended December 31,	2025	2024
<b>Class F</b>		
Balance, beginning	450,216	1,983,895
Units issued for consideration	195,812	269,401
Units reinvested	18,704	46,769
Units redeemed	(145,499)	(1,849,849)
Balance, ending	<b>519,233</b>	<b>450,216</b>

# Veritas Next Edge Premium Yield Fund

## Notes to the financial statements (continued)

### Capital management

The capital of the Fund is represented by net assets attributable to holders of redeemable units. As a result of the ability to issue and redeem redeemable Units, the capital of the Fund can vary depending on the demand for redemptions from and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue and redemptions of redeemable Units other than those set out in its Simplified Prospectus.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in the Simplified Prospectus;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise; and
- To maintain sufficient size to make the operation of the Fund cost-efficient.

### 8. INCOME TAXES

The Fund is a "mutual fund trust" within the meaning of the Tax Act as of January 1, 2023.

The Fund is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of amounts paid or payable to unitholders (whether in cash or in units) in the year. An amount will be considered to be payable to a unitholder in a taxation year if it is paid in the year by the Fund or the unitholder is entitled in that year to enforce payment of the amount. The Fund makes sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

As at December 31, 2025, the Fund had \$nil (2024: \$33,199) capital losses and \$nil (2024: \$nil) non-capital losses for tax purposes.

### 9. FEES AND OPERATING EXPENSES

<b>Annual Management Fees</b> <b>(% of net asset value of the class of the Fund)</b>	
<b>Class</b>	<b>Management Fee<sup>1,2</sup></b>
Class A Units	1.80%
Class F Units	0.80%
Class I Units	A negotiated management fee directly to the Manager (up to a maximum of 0.80%)

1. Plus applicable HST.

2. The Manager may from time to time, in its own discretion, waive a portion of the management fee resulting in a reduction of the management fee charged. To the extent a portion of the management fee is waived, the Manager reserves the right to stop such waiver at any time and without notice to, or the consent of, unitholders.

For its services to the Fund, the Manager is entitled to receive from the Fund a management fee (the "management fee") at (up to) an annual rate of: (i) 1.80% of the portion of its NAV represented by the Class A Units, (ii) 0.80% of the portion of NAV represented by the Class F Units, and (iii) a negotiated portion of the NAV (up to a maximum of 0.80%), calculated daily and paid monthly in arrears, plus applicable taxes. The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's Units.

## Veritas Next Edge Premium Yield Fund

### Notes to the financial statements (continued)

The Fund is responsible for its own operating expenses, however the Manager pays expenses on the Fund's behalf and recovers the costs. The Manager may absorb expenses at its sole discretion. See Note 10. These include but are not limited to brokerage commissions and fees, taxes, audit fees, legal fees and expenses, safekeeping, registrar and transfer agent fees, trustee and custodial fees, interest expenses, administrative costs, regulatory participation fees, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses.

The Chair of the Independent Review Committee currently receives an annual retainer of \$12,000 and the other Independent Review Committee members an annual retainer of \$9,000, plus reimbursement of expenses, and all such fees and expenses of the Independent Review Committee will be paid by the Manager's funds pro rata based on the amount of time spent on each of the Funds' business.

The Manager may, from time to time, in its sole discretion, pay all or a portion of any additional expenses which would otherwise be payable by the Fund. See note 10.

Each class of Units is responsible for the expenses specifically related to that class and a proportionate share of the expenses that are common to all classes of Units.

#### 10. RELATED PARTY TRANSACTIONS

The Fund's investment activities are managed by Next Edge Capital Corp.

##### (a) Management fees

Under the terms of the investment management agreement, the Fund appointed the Manager to provide management services (note 9). Total management fees for the year ended December 31, 2025 amounted to \$57,594 (2024: \$134,997) and are reported in the statements of comprehensive income, with \$17,382 (2024: \$21,890) in outstanding accrued fees due to the Manager as at December 31, 2025 reported in the statements of financial position.

##### (b) Operating expenses

For the year ended December 31, 2025, the Manager absorbed expenses of \$257,282 (2024: \$205,246) shown in the statements of comprehensive income. The Manager absorbs expenses at its sole discretion and may cease to absorb expenses at any time.

##### (c) Independent Review Committee fees

The total remuneration paid to members of the Independent Review Committee attributable to the Fund during the year ended December 31, 2025 was \$15,705 (2024: \$14,426).

#### 11. GLOBAL TENSIONS

The ongoing military conflicts globally have continued to negatively impact regional and global financial markets and economies. The adverse effects include, but are not limited to, significant market volatility, inflationary pressures, increase in interest rates, increase in credit risk, strain on commodity markets, foreign currency exchange rate volatility and disruption of business operations. In light of the current environment of heightened uncertainty and market volatility, the Manager continues to closely monitor its impact on the Fund's risk exposures.

# Veritas Next Edge Premium Yield Fund

## General information

### MANAGER AND PRINCIPAL DISTRIBUTOR

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