

VERITAS FUNDS PLC
(an umbrella fund with segregated liability between sub-funds)

UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

VERITAS FUNDS PLC

TABLE OF CONTENTS

| | |
|---|----|
| Contents | 1 |
| Directory | 2 |
| Investment Manager's Report | |
| - <i>Veritas Asian Fund</i> | 3 |
| - <i>Veritas Global Focus Fund</i> | 4 |
| - <i>Veritas Global Equity Income Fund</i> | 7 |
| - <i>Veritas China Fund</i> | 10 |
| - <i>Veritas Global Real Return Fund</i> | 11 |
| Schedule of Investments | |
| - <i>Veritas Asian Fund</i> | 14 |
| - <i>Veritas Global Focus Fund</i> | 18 |
| - <i>Veritas Global Equity Income Fund</i> | 22 |
| - <i>Veritas China Fund</i> | 25 |
| - <i>Veritas Global Real Return Fund</i> | 29 |
| Balance Sheet | 32 |
| Profit and Loss Account | 34 |
| Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares | 37 |
| Notes to the Financial Statements | 40 |
| Schedule of Changes in Investments | |
| - <i>Veritas Asian Fund</i> | 49 |
| - <i>Veritas Global Focus Fund</i> | 50 |
| - <i>Veritas Global Equity Income Fund</i> | 51 |
| - <i>Veritas China Fund</i> | 52 |
| - <i>Veritas Global Real Return Fund</i> | 53 |
| Supplementary Information | 54 |

VERITAS FUNDS PLC

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VERITAS FUNDS PLC

VERITAS ASIAN FUND

**INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010**

Whilst the pace of the Asian markets rally has moderated from October 2009 to March 2010 compared to the rally of Q209 and Q309, strong liquidity coupled with global economic recovery continued to be major positives for equities. Over this 6 month period to March 2010, The Veritas Asian Fund returned 5.9% (USD class, net of fees).

During this period, equities markets continued to be dominated by two divergent forces -- the positive of robust economic growth in both the developed and emerging economies being offset by the fears of exit strategies by central banks and bubbles in emerging markets (especially China). Growth was especially pronounced in the US with GDP growing 5.6% in 4Q09, a massive improvement from the contraction of 6.4% in 1Q09. The pessimistic view of a jobless recovery was also quashed with the non-farm payrolls indicating that 162,000 jobs were created in March 2010, contrasting with the bleak situation in January 2009 where a record 779,000 jobs were lost. Whilst there have been some concerns that global central banks will soon make their "exit strategy", there seems to be little evidence to justify this fear. The US unemployment situation is only starting to stabilize, and it would still be many months away from a robust employment situation – suggesting that the "exit strategy" may not happen anytime soon.

The investment community has been bombarded with numerous articles from analysts, observers, hedge fund managers and academics stating that China is experiencing a bubble of epic proportions. The strange thing is that the noise about bubbles has been far louder than the period of 2007 even though the Shanghai Stock market is still about 50% off its high of 6092. The Hong Kong stock market, as measured by the Hang Seng Index, remains 30% lower than its high in October 2007 whilst Hong Kong property prices are still 22% lower than that of 1997. Our view is that whilst China may become a bubble some years into the future, but for the monetary tightening that is being introduced gradually, it certainly is not one now, and in the meantime, there is still plenty of money to be made in the market.

The macro environment is generally positive in almost all Asian countries. We see earnings revision continue to be positive.

From a sector point of view, the fund continues to look at two themes 1) consumption - The combination of Asia's exceptionally high savings rate, lower leverage ratio, favourable demographics, government stimulus packages, low interest rates and recovering economy sets the ideal environment for consumption to have a powerful play; 2) beneficiaries of operational leverage – as revenues grow, operational leverage kicks in from the high fixed cost base.

To conclude, we are still confident that we are in a cyclical bull market. 'Buy the dips' still seems to us to be the modus operandi.

Veritas Asset Management (UK) Limited
May 2010

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

De-leveraging remains a fantasy

One of the major long-term themes over the past 30 years has been the rise of “consumerism”. The post war world initially saw people satisfied with products that were functional but with the rise of advertising (driven by commercial TV) the evolution of the consumer really commenced. No longer were people satisfied with a car that got you safely from A to B instead your car made a statement about the sort of person you were: it needed to be newer, faster, bigger or fancier than your neighbours car and the same could be applied to houses, TV's and a plethora of other consumer goods. Brands became big business. These brands increasingly played into the emotion of envy with alluring advertising depicting how much more successful, happy, attractive or popular you would be if only you purchased their product.

In the relatively early stages in this new era, consumers tended to save up for their desired product and consequently there were many positive outcomes and few negative ones from the development of a consumer society. However as the age of the consumer developed the desire to want the latest product immediately led to consumers supplementing their incomes and savings with borrowings to allow them to buy now and pay later. This tendency only increased as the desired level of consumption increased faster than incomes. The result was consumption increasing in importance as a part of the economy, representing over 70% of the US economy at its peak and household borrowing steadily increasing *as a proportion* of GDP.

The high demand for borrowing was fully met by lenders who were able to show rapid growth in profits as their loan books expanded. It also led to the development of new lending products and a secondary market for consumer loans. This new market allowed a new breed of “lender” to enter the market: one who would make a loan to the end consumer but would then sell the loan on to another party. The originator of the loan was no longer responsible for collection of the interest or the principal. The outcome was all too obvious: lending standards rapidly deteriorated. Furthermore, with very loose provisions within these loans (interest was frequently not paid but just added to the outstanding loan balance) there was a long period during which there were few defaults on such loans (how can you default when you don't have to pay the interest?). As a result many loans were made and there was a consequent acceleration of household debt relative to GDP.

Paraphrasing the economist Herb Stein, what can't go on forever, won't. Clearly debt as a proportion of GDP cannot rise forever and the credit crunch we have suffered in the past 2 years is testament to that. The result was a huge wave of defaults that threatened the entire financial system. Naturally, Governments around the world stepped in to provide guarantees, debt support, income support and low interest rates to avert a collapse. This has been successful to a large degree and has resulted in a private to public debt swap that will no doubt continue for some time. However, there has not been a reduction in outstanding debt. In fact with Government borrowing rising dramatically, it appears at this stage as though we are trying to solve a debt crisis with more debt. Is this feasible and can it form a permanent solution or does it just push the problem further out?

With regard to whether it is feasible, it does seem likely that under certain conditions, increased Government debt can help stabilise a credit crisis. The necessary conditions would seem to be that the country in question can print its own currency (and that currency is considered trustworthy), has a reasonable fiscal position to start with and can control its own interest rate. Such a description does not apply to Greece, Ireland or Portugal in almost all respects and consequently these countries together with others like them could potentially default on their obligations. Even for countries such as the US and the UK who meet all the requirements, stabilising the problem through increased Government indebtedness is unlikely to form a permanent solution and will undoubtedly lead to repercussions in the medium and longer term.

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010 (CONTINUED)

In particular to address the high deficits and borrowings it is almost certain that taxes will need to increase and entitlements (healthcare, benefits, pensions etc) will need to decrease. Modern politicians have consistently deferred such difficult decisions in an effort to be re-elected to their powerful and remunerative positions – however, perhaps now we are at such a stage that the difficult decisions and longer term health of the nations in question will take precedence over the electoral cycle.

Implications for the fund

While it is almost certain that some form of recovery is underway driven by a reliance on Government support (including zero interest rates), we continue to believe that the recovery will be anaemic and uneven. Job creation remains lacklustre (at best), income growth is also extremely weak and access to credit (particularly for consumers) will likely remain constrained. Tax rises and the (albeit slow) removal of Government support will also act to hold back growth and the potential for further property related losses and write downs still remain. These forces together are likely to result in any recovery being well below historical comparisons and volatile as large but opposing forces shift in their dominance on the economic environment.

However, a weak recovery does not appear to be what equity markets are anticipating. Global equity markets (in USD) have risen by around 50% over the past 12 months with the performance being led by the most economically sensitive sectors (Basic Materials, Industrials and Financials). This has led to valuations in these areas rising to high levels in the expectation that earnings growth will be extremely strong for the next few years. Using data for the MSCI World Index, consensus earnings growth for 2010 is 32% and for 2011 is 22%. Within this aggregate figure the cyclical elements are expected to post even stronger growth: for example the industrial metals and mining sector is expected to show 182% growth for 2010 and 40% growth for 2011; industrial engineering 44% growth in 2010 and 34% in 2011; and, banks 90% growth in 2010 and 44% in 2011. Such growth is reflected in valuations with the market trading on 19x historic earnings and the cyclical sectors of industrial metals & mining on 39x, industrial engineering on 30x and banks on 28x historic earnings.

Perhaps the fast growing nations in the emerging markets will provide the context for strong earnings growth? It seems almost certain that they will help in growing global GDP faster than it would without them. However, there are risks in these countries too and while the risks are unlikely to cause problems in the near term they could well be storing up problems further down the road. In particular the 800lb gorilla of emerging markets, China, may be creating a medium term problem due to the current nature of their growth. China is a command economy and the Chinese have set themselves a GDP growth target of at least 8%. This can only be achieved by massive investment in gross fixed capital formation (building roads, railways, bridges, offices, towns etc) as the export sector serves indebted western consumers so demand will likely remain weak and the domestic consumer is currently too small a proportion of GDP to drive 8% growth. While investment in productive assets should be positive for the long term economic growth of a country, this is only the case if those fixed assets are truly productive. There is increasing evidence that Chinese capital spending is now delivering low marginal returns on investment implying that much of the capital spending is being spent on projects that will never deliver a satisfactory return. While this is unlikely to be a problem in the short term given the centrally planned nature of the economy, over the longer term driving GDP growth by capital spending on unproductive assets is unsustainable in the same way that US households could not perpetually increase debt relative to GDP.

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

**INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010
(CONTINUED)**

The context described above has continued to shape our thinking on themes, where there has been no change in the reporting period. However, at Veritas we concentrate on individual stock selection rather than economic forecasting or market wide valuation metrics. Clearly with valuations having increased substantially over the past 12 months it is becoming more difficult to identify excellent franchises that are available to purchase at attractive valuations. Despite this more limited opportunity set we are still managing to find sufficient investment opportunities and even with strong cash inflows into the fund ended the period with 92% invested in equities.

Longer term perspective

Despite the recent rapid rise in equity markets, investors in equities have been poorly served over the past 5 years with a broad global equity market such as the MSCI World index posting a total return (in USD) of 15.3% or the equivalent of 2.9% annually. The Veritas Global Focus Fund has tended to outperform declining equity markets substantially, largely as a result of our focus on generating real returns over a 3 – 5 year time horizon. Indeed over the past 5 years the fund has delivered a total return of 43.1% or 7.4% annually. However, our real return mindset leads us to be more circumspect when valuations do not appear to offer suitable medium term returns (including a margin of safety) and consequently the fund tends to struggle to match broad equity markets when valuations are generally high or momentum driven investing is in favour. In this regard it is gratifying that over the short term (the last 12 months) the fund has managed to keep pace with a rapidly rising equity market (52.78% for the fund versus 52.377% for the MSCI World). Should broad equity markets continue to rise at such a rapid pace it is highly unlikely that the fund will repeat this performance.

Veritas Asset Management (UK) Limited
May 2010

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

The vexed question of sustainability

It is wise to ask questions surrounding sustainability in investment from time to time.

It is certainly a better question to ask than 'timing' of any change of trend.

One critical question is: 'are we still in a period of economic and financial fragility or are we in a new phase of sustainable economic growth and stability?'

We also ask questions surrounding sustainability for companies we analyse and own equity of. Questions of sustainable competitive position; of franchise; of pricing power and of business model. We also question the sustainability of company dividends now and into the future. It is also worth assessing the sustainability of valuation for any asset you own.

Whether something is sustainable or not is certainly a vexed question, there are so many variables and uncertainties, but it is a good question to ask.

Regarding the context we are investing within, what are ultimately unsustainable are the recent levels of stimulants being administered. Economies have responded to the treatment like some Tour de France cyclist of the 1990s driven by the synthetic form of human hormone EPO: described by a doctor working with le Tour as something that makes '*a mortal become an unstoppable super-hero*'. Marco 'The Pirate' Pantani was one such rider, reaching inhuman levels of performance in an unsustainable way. His supercharged performance stole from the future and had a pay-back time. He died aged 34.

Large macroeconomic imbalances were amongst the contextual causes of the financial and economic crisis we are emerging from. Post crisis, surrounding the fallout of late 2008, both the US and China embarked on different but remarkable stimulus packages. These have played out to the applause of equity markets since a year ago. In the US the recovery appears to be going from strength to strength, the large corporate currently taking the baton on and spending is re-emerging on investment, inventory and mergers/acquisitions. Let's wait and see what happens with regard to employment and wages. However, an enormous transfer from private indebtedness to the public account has taken place, the Obama administration embarking on the largest dose of fiscal spending since World War Two. Sustainable growth in the global economy is ultimately linked to sustainable fiscal balances around the world. Fiscal crises in the western developed economies seem likely to continue; even the US is not out the woods in this regard. In China, the determination has been equalled with one of the largest stimulus packages as a percentage of GDP. Here it is applied by a command economy in a different political, social and economic context, super-hero boosting via high credit growth with increasing risk of leakage to asset markets and/or mis-allocation of huge amounts of capital. China has a command economy banking system; it has driven the country to its targeted 8/9% growth targets.

However, both in the US and in China this level of use of stimulants is ultimately unsustainable. The resultant effects are highly unpredictable: fall back in the US as the de-leveraging weighs heavy? Asset bubbles and inflationary pressures in pockets in China and elsewhere amongst emerging economies such as India? Globally, the see-saw of a disinflationary or inflationary outcome to the massive stimuli will continue. A lot still rests on policy making and on the behaviour of Government. Consequently, we are taking the view that we should not expect calm adjustments. History does not suggest calm adjustments and an assessment of this volatile and unpredictable context suggests likewise. We are not taking strong economic growth for granted, nor are we ruling it out short term. We are expecting the economic context to be anything other than benign over the coming 2-3 years, certainly not the 'Goldilocks' of the past period. Increased economic volatility does not necessarily mean greater volatility in equity markets but this seems likely.

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

**INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010
(CONTINUED)**

Especially so when many take the view that the longer very low interest rates remain, the more expensive equities should be. Consequently, we are focusing on where we can find greater confidence and clarity of fundamental drivers for companies' earnings. We are also seeking those who have sustainable competitive advantages in their industries, the 'strong survivors' from a period of disruption. Last, we are not prepared to overpay for these earnings and dividends despite the arguments surrounding liquidity into the equity asset class. Markets are inefficient on the upside and downside.

The recent couple of years have brought into question the sustainability of dividends in certain sectors and companies. Recent falls in US and European dividends were dramatic in aggregate. Year on year falls in European dividends per share were minus 30% in Europe and minus 21% for the US S and P 500 (the worst year since 1938). The year on year falls in Asia and for the world indices were also around 20%. In the circumstances of global historical nominal growth since 1970 being plus 6% per annum, this was a painful correction. It was even worse in sectors such as automobiles, property, commodities and financials. Financials in Europe cut their dividends by 70% and some passed payments altogether. This all turned what appeared to be high yields into very little or nothing. Companies with low or negative free cash flow generation and/or high debt are unlikely to be able to pay sustained dividends. Companies with managements who do not follow capital disciplines and do not aim to ultimately return value to shareholders will not pay sustained dividends. We are seeking the optimal combination of income and real capital appreciation so we like to seek sustained dividends where there is proof of cash flow and cash returns to shareholders.

Whilst historic and prospective yields have fallen significantly since one year ago, we are still able to find areas of soundly based yield with growth characteristics. Diversified healthcare is one such area where we can identify companies such as Merck with a strong balance sheet and free cash flow generation. A yield in excess of 4% is based on a sustainable and growing dividend. For a company with high single digit compound annual growth of earnings out to 2015 and good return on equity, we judge Merck's earnings to be undervalued. There are sources of further upside in the merger with Schering Plough and a steady stream of new product filings over the coming three years. The valuation of this company has not been caught up in the frenzied search for 'recovery', strong cyclical upside or 'emerging market exposure', all of which has led to the typical multiple expansion of a phase in the equity market we have termed 'travelling hopefully'. During the reporting period we found new investable ideas on sound entry price valuations in various sectors including Oil and Gas exploration/production; property and toll roads.

The dividend outlook is now stabilising across the sectors that make up the market. Concerns over refinancing and pension deficits are receding. With a very wide range of outcomes case-by-case, in aggregate dividends could grow this year from a lower base by between 5 and 10%. Companies are keen to signal their strength or recovery, in many cases companies are financially stronger and have more options than households or even countries.

During the reporting period we continued to develop our record of dividend payments as well as our track record of global equity income investing which passed through its fifth year.

We paid an interim dividend, which grew year on year on a per share basis and is consistent with past years in that it is small in relation to the final dividend we pay in September. Our five year track record is of consistent payment of income with a real return to the capital. As at the end of February 2010, the Fund's 5th anniversary, we have delivered a return of 10.5 % annualised over five years versus 6.2% for the equivalent MSCI World index.

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

**INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010
(CONTINUED)**

The delivery of this five year performance, a period which has seen dramatic moves in equity markets, has been as a result of our focus on generating income orientated total real returns over a 3-5 year time horizon. However, our real return mindset leads us to be more circumspect when valuations do not appear to offer suitable medium term returns. Consequently, given valuation does not drive markets (they are about what price you pay), there can be periods when we shall lag markets driven by 'liquidity' or 'momentum'. These periods represent timeframes when investors' herd instincts can lead to, at best, valuation insensitivity.

Veritas Asset Management (UK) Limited
May 2010

VERITAS FUNDS PLC

VERITAS CHINA FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

The Veritas China Fund returned 9.8% (USD class, net of fees) since inception. Given the MSCI Golden Dragon, a comprehensive benchmark which tracks performance in the Greater China markets was up only 5.7% in USD terms, we are happy about the return we achieved.

The investment community has been bombarded with numerous articles from analysts, observers, hedge fund managers and academics stating that China is experiencing a bubble of epic proportions. The strange thing is that the noise about bubbles has been far louder than the period of 2007 even though the Shanghai Stock market is still about 50% off its high of 6092. The Hong Kong stock market, as measured by the Hang Seng Index, remains 30% lower than its high in October 2007 whilst Hong Kong property prices are still 22% lower than that of 1997. Our view is that whilst China may become a bubble some years into the future, but for the monetary tightening that is being introduced gradually, it certainly is not one now, and in the meantime, there is still plenty of money to be made in the market. Bearish analysts have compared China to Japan in the late 1980s with its massive overinvestment and its euphoric asset prices. In reality, the income per capita now at RMB22,680 (USD3,328) is similar to that of Japan in 1972 and Hong Kong in 1977. The Japanese equity market towards the end of the 1980s traded at 70x earnings and more than 5 times PB, whereas the Shanghai A shares market is only trading at 18.2x forward earnings and 3.2x PB according to Bloomberg estimates. The Japanese property market became the most sought after asset culminating with talks of the land area beneath the Imperial Palace being more valuable than the entire state of California. In contrast, whilst property prices in Beijing and Shanghai rose sharply, property prices for China in its entirety rose by only 7.8% in 2009. Interestingly, the current average property price for China is USD61 psf, very similar to that of Hong Kong in 1977 at USD62 psf – and it should be remembered that Hong Kong property prices rallied 1241% to USD770 from 1977 to 1997 when Hong Kong income increased eight fold during that period. For your reference, the Japanese market rose 1120% (annualized return of just over 15%) from 1972 to 1989 in Yen terms (much more in USD as Yen strengthened during the period), when the market peaked out.

The above is really an exercise to put things in perspective amid the rampant scare-mongering that seems to have dominated the financial press lately. Tactically, as our investors may have already seen from our monthly reports, our net China exposures, particularly in Chinese banks and property have been significantly reduced. We are in fact short in a number of names in the Chinese property sector. This is because we believe the government is convinced that without direct intervention in the property market, the Chinese real estate market will risk repeating what the US real estate market went through during the past decade. So we think further tightening is more likely to be specifically targeting the property sectors. However, due to selective tightening, earnings growth will be varied among different sectors and therefore there is likely to be marked differences in sector and company performances. Herein lies the opportunity for long/short strategies. We are likely to see a differentiated performance from different sectors and companies. We think performance from financials (banks and property) will remain subdued. Companies in the consumption sector, such as food beverage, apparels, domestic appliances will however continue to do well. Healthcare, environment protection, and new energy are the areas that will see very strong performance.

Stock picking is crucial in China this year and we think we have got the skill and the perfect platform to exploit these opportunities.

Veritas Asset Management (UK) Limited
May 2010

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

De-leveraging remains a fantasy

One of the major long-term themes over the past 30 years has been the rise of “consumerism”. The post war world initially saw people satisfied with products that were functional but with the rise of advertising (driven by commercial TV) the evolution of the consumer really commenced. No longer were people satisfied with a car that got you safely from A to B instead your car made a statement about the sort of person you were: it needed to be newer, faster, bigger or fancier than your neighbours car and the same could be applied to houses, TV's and a plethora of other consumer goods. Brands became big business. These brands increasingly played into the emotion of envy with alluring advertising depicting how much more successful, happy, attractive or popular you would be if only you purchased their product.

In the relatively early stages in this new era, consumers tended to save up for their desired product and consequently there were many positive outcomes and few negative ones from the development of a consumer society. However as the age of the consumer developed the desire to want the latest product immediately led to consumers supplementing their incomes and savings with borrowings to allow them to buy now and pay later. This tendency only increased as the desired level of consumption increased faster than incomes. The result was consumption increasing in importance as a part of the economy, representing over 70% of the US economy at its peak and household borrowing steadily increasing *as a proportion* of GDP.

The high demand for borrowing was fully met by lenders who were able to show rapid growth in profits as their loan books expanded. It also led to the development of new lending products and a secondary market for consumer loans. This new market allowed a new breed of “lender” to enter the market: one who would make a loan to the end consumer but would then sell the loan on to another party. The originator of the loan was no longer responsible for collection of the interest or the principal. The outcome was all too obvious: lending standards rapidly deteriorated. Furthermore, with very loose provisions within these loans (interest was frequently not paid but just added to the outstanding loan balance) there was a long period during which there were few defaults on such loans (how can you default when you don't have to pay the interest?). As a result many loans were made and there was a consequent acceleration of household debt relative to GDP.

Paraphrasing the economist Herb Stein, what can't go on forever, won't. Clearly debt as a proportion of GDP cannot rise forever and the credit crunch we have suffered in the past 2 years is testament to that. The result was a huge wave of defaults that threatened the entire financial system. Naturally, Governments around the world stepped in to provide guarantees, debt support, income support and low interest rates to avert a collapse. This has been successful to a large degree and has resulted in a private to public debt swap that will no doubt continue for some time. However, there has not been a reduction in outstanding debt. In fact with Government borrowing rising dramatically, it appears at this stage as though we are trying to solve a debt crisis with more debt. Is this feasible and can it form a permanent solution or does it just push the problem further out?

With regard to whether it is feasible, it does seem likely that under certain conditions, increased Government debt can help stabilise a credit crisis. The necessary conditions would seem to be that the country in question can print its own currency (and that currency is considered trustworthy), has a reasonable fiscal position to start with and can control its own interest rate. Such a description does not apply to Greece, Ireland or Portugal in almost all respects and consequently these countries together with others like them could potentially default on their obligations. Even for countries such as the US and the UK who meet all the requirements, stabilising the problem through increased Government indebtedness is unlikely to form a permanent solution and will undoubtedly lead to repercussions in the medium and longer term.

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

INVESTMENT MANAGER'S REPORT FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010 (CONTINUED)

In particular to address the high deficits and borrowings it is almost certain that taxes will need to increase and entitlements (healthcare, benefits, pensions etc) will need to decrease. Modern politicians have consistently deferred such difficult decisions in an effort to be re-elected to their powerful and remunerative positions – however, perhaps now we are at such a stage that the difficult decisions and longer term health of the nations in question will take precedence over the electoral cycle.

Implications for the fund

While it is almost certain that some form of recovery is underway driven by a reliance on Government support (including zero interest rates), we continue to believe that the recovery will be anaemic and uneven. Job creation remains lacklustre (at best), income growth is also extremely weak and access to credit (particularly for consumers) will likely remain constrained. Tax rises and the (albeit slow) removal of Government support will also act to hold back growth and the potential for further property related losses and write downs still remain. These forces together are likely to result in any recovery being well below historical comparisons and volatile as large but opposing forces shift in their dominance on the economic environment.

However, a weak recovery does not appear to be what equity markets are anticipating. Global equity markets (in GBP) have risen by around 44% over the past 12 months with the performance being led by the most economically sensitive sectors (Basic Materials, Industrials and Financials). This has led to valuations in these areas rising to high levels in the expectation that earnings growth will be extremely strong for the next few years. Using data for the MSCI World Index, consensus earnings growth for 2010 is 32% and for 2011 is 22%. Within this aggregate figure the cyclical elements are expected to post even stronger growth: for example the industrial metals and mining sector is expected to show 182% growth for 2010 and 40% growth for 2011; industrial engineering 44% growth in 2010 and 34% in 2011; and, banks 90% growth in 2010 and 44% in 2011. Such growth is reflected in valuations with the market trading on 19x historic earnings and the cyclical sectors of industrial metals & mining on 39x, industrial engineering on 30x and banks on 28x historic earnings.

Perhaps the fast growing nations in the emerging markets will provide the context for strong earnings growth? It seems almost certain that they will help in growing global GDP faster than it would without them. However, there are risks in these countries too and while the risks are unlikely to cause problems in the near term they could well be storing up problems further down the road. In particular the 800lb gorilla of emerging markets, China, may be creating a medium term problem due to the current nature of their growth. China is a command economy and the Chinese have set themselves a GDP growth target of at least 8%. This can only be achieved by massive investment in gross fixed capital formation (building roads, railways, bridges, offices, towns etc) as the export sector serves indebted western consumers so demand will likely remain weak and the domestic consumer is currently too small a proportion of GDP to drive 8% growth. While investment in productive assets should be positive for the long term economic growth of a country, this is only the case if those fixed assets are truly productive. There is increasing evidence that Chinese capital spending is now delivering low marginal returns on investment implying that much of the capital spending is being spent on projects that will never deliver a satisfactory return. While this is unlikely to be a problem in the short term given the centrally planned nature of the economy, over the longer term driving GDP growth by capital spending on unproductive assets is unsustainable in the same way that US households could not perpetually increase debt relative to GDP.

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

**INVESTMENT MANAGER'S REPORT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010
(CONTINUED)**

The context described above has continued to shape our thinking on themes, where there has been no change in the reporting period. However, at Veritas we concentrate on individual stock selection rather than economic forecasting or market wide valuation metrics. Clearly with valuations having increased substantially over the past 12 months it is becoming more difficult to identify excellent franchises that are available to purchase at attractive valuations.

Longer term perspective

Despite the recent rapid rise in equity markets, investors in equities have been poorly served over the past 3 years with a broad global equity market such as the MSCI World index posting a total return (in GBP) of 9.4% or the equivalent of 3.1% annually. The Veritas Real Return approach to investing lends itself well to periods of outperformance in declining equity markets, largely as a result of our focus on generating real returns over a 3 – 5 year time horizon. However, our real return mindset leads us to be more circumspect when valuations do not appear to offer suitable medium term returns (including a margin of safety) and consequently the fund may tend to struggle to match broad equity markets when valuations are generally high or momentum driven investing is in favour.

Veritas Asset Management (UK) Limited
May 2010

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2010

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|------------------|---|--------------------|-------------------------|
| Equities | | | |
| Australia | | | |
| 2,000,000 | Ancor | 11,685,624 | 0.89 |
| 3,500,000 | AMP | 20,033,152 | 1.53 |
| 17,500,000 | Asciano Group | 30,290,126 | 2.31 |
| 300,000 | BHP Billiton | 11,975,933 | 0.91 |
| 700,000 | Commonwealth Bank of Australia | 36,085,316 | 2.75 |
| 3,000,000 | Computershare | 34,370,020 | 2.62 |
| 4,945,000 | Insurance Australia Group | 17,525,826 | 1.34 |
| 670,000 | Leighton Holdings | 23,917,615 | 1.82 |
| 2,363,636 | Lend Lease Group | 15,816,614 | 1.20 |
| 1,000,000 | National Australia Bank | 25,431,800 | 1.94 |
| 900,000 | Newcrest Mining | 27,042,695 | 2.06 |
| 300,000 | Rio Tinto | 21,536,898 | 1.64 |
| 1,200,000 | Santos | 16,110,775 | 1.23 |
| 900,000 | Wesfarmers | 26,201,989 | 2.00 |
| 650,000 | Woodside Petroleum | 27,918,201 | 2.13 |
| 700,000 | Woolworths | 17,943,294 | 1.37 |
| | | 363,885,878 | 27.74 |
| China | | | |
| 800,000 | Anta Sports Products | 1,318,874 | 0.10 |
| 20,000,000 | Bank of Communications | 23,827,310 | 1.82 |
| 2,000,000 | Beijing Capital International Airport | 1,190,078 | 0.09 |
| 16,055,000 | Belle International Holdings | 21,422,658 | 1.63 |
| 15,500,000 | China Coal Energy | 24,195,667 | 1.84 |
| 6,500,000 | China Dongxiang Group | 4,663,069 | 0.36 |
| 11,400,000 | China Life Insurance | 54,473,094 | 4.15 |
| 11,018,000 | China National Building Material | 21,286,159 | 1.62 |
| 1,500,000 | China Pacific Insurance Group | 6,655,547 | 0.51 |
| 2,300,000 | China Shenhua Energy | 9,908,941 | 0.75 |
| 10,081,000 | China Yurun Food Group | 30,771,966 | 2.35 |
| 8,696,000 | New World Department Store China | 8,332,892 | 0.64 |
| 2,000,000 | Ping An Insurance (Participatory Note) (UBS) | 14,896,200 | 1.13 |
| 12,164,000 | Shenzhen Expressway | 6,392,045 | 0.49 |
| 1,900,000 | Tencent Holdings | 38,028,387 | 2.90 |
| 1,130,000 | Weichai Power | 9,460,086 | 0.72 |
| 2,500,000 | Zhejiang Expressway | 2,257,155 | 0.17 |
| | | 279,080,128 | 21.27 |

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------------------------|---|--------------------|-------------------------|
| Equities (continued) | | | |
| Hong Kong | | | |
| 4,400,000 | China Resources Enterprise | 16,207,723 | 1.24 |
| 2,780,000 | China Resources Land | 6,043,945 | 0.46 |
| 2,860,000 | Chinese Estates Holdings | 4,788,645 | 0.36 |
| 6,000,000 | Citic Pacific | 14,327,297 | 1.09 |
| 11,260,000 | CNOOC | 18,447,129 | 1.41 |
| 1,944,000 | Hengan International Group | 14,496,999 | 1.10 |
| 412,400 | Jardine Matheson Holdings | 13,732,920 | 1.05 |
| 1,500,000 | Kerry Properties | 8,046,547 | 0.61 |
| 2,550,000 | Li & Fung | 12,529,623 | 0.95 |
| 7,500,000 | Nine Dragons Paper Holdings | 12,480,358 | 0.95 |
| 2,600,000 | Shanghai Industrial Holdings | 11,921,383 | 0.91 |
| 14,000,000 | Skyworth Digital Holdings | 16,354,550 | 1.25 |
| 700,000 | Sun Hung Kai Properties | 10,530,383 | 0.80 |
| 1,098,000 | Swire Pacific | 13,201,399 | 1.01 |
| 17,500,000 | Xinyi Glass Holdings Co | 15,957,858 | 1.22 |
| | | 189,066,759 | 14.41 |
| India | | | |
| 150,000 | Infosys Technologies | 8,955,000 | 0.68 |
| | | 8,955,000 | 0.68 |
| Luxembourg | | | |
| 400,000 | Bharat Heavy Electricals | 21,229,948 | 1.62 |
| 1,750,000 | Gree Electric Appliances | 7,210,000 | 0.55 |
| 7,403,886 | Lanco Infratech (Participatory Note) (Citigroup) | 8,615,458 | 0.66 |
| 400,000 | State Bank of India (Participatory Note) (Citigroup) | 18,502,616 | 1.41 |
| | | 55,558,022 | 4.24 |
| Malaysia | | | |
| 582,200 | Digi.Com | 4,019,357 | 0.31 |
| 3,910,600 | PLUS Expressways | 4,052,062 | 0.31 |
| | | 8,071,419 | 0.62 |
| Singapore | | | |
| 14,042,000 | Ascendas Real Estate Investment Trust | 19,263,104 | 1.47 |

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|------------------------------|---|----------------------|-------------------------|
| Equities(continued) | | | |
| Singapore (continued) | | | |
| 30,000,000 | Golden Agri-Resources | 12,324,950 | 0.94 |
| 1,900,000 | United Overseas Bank | 26,091,741 | 1.99 |
| | | 57,679,795 | 4.40 |
| South Korea | | | |
| 300,000 | Hanjin Shipping | 8,232,799 | 0.63 |
| 41,000 | Hyundai Heavy Industries | 8,569,977 | 0.65 |
| 524,000 | KB Financial Group | 25,240,178 | 1.92 |
| 360,000 | Korea Electric Power | 11,629,325 | 0.89 |
| 133,000 | NCSOFT | 16,809,404 | 1.28 |
| 60,000 | NHN | 9,518,759 | 0.73 |
| 150,000 | Samsung Card | 6,787,750 | 0.52 |
| 170,500 | Samsung Electro-Mechanics | 17,329,533 | 1.32 |
| 86,500 | Samsung Electronics | 62,460,118 | 4.76 |
| 120,000 | Samsung Engineering | 12,408,856 | 0.95 |
| | | 178,986,699 | 13.65 |
| Taiwan | | | |
| 9,000,000 | Advanced Semiconductor Engineering | 8,217,884 | 0.63 |
| 3,000,000 | Cheng Shin Rubber Industry | 6,385,390 | 0.49 |
| 6,500,000 | Compal Electronics | 8,503,621 | 0.65 |
| 5,000,000 | Fubon Financial Holding | 6,076,826 | 0.46 |
| 7,015,200 | HON HAI Precision Industry | 30,371,222 | 2.31 |
| 400,000 | Largan Precision | 5,994,962 | 0.46 |
| 1,150,000 | Simplo Technology | 6,553,841 | 0.50 |
| 14,050,000 | SinoPac Financial Holdings | 4,976,779 | 0.38 |
| 8,750,498 | Taiwan Semiconductor Manufacturing | 16,944,447 | 1.29 |
| 12,088,279 | Wistron | 21,961,388 | 1.67 |
| | | 115,986,360 | 8.84 |
| Thailand | | | |
| 3,000,000 | Bangkok Bank PCL | 12,200,402 | 0.93 |
| | | 12,200,402 | 0.93 |
| | Total Equities | 1,269,470,462 | 96.78 |

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|------------|--|-----------------------------|-------------------------|
| | Corporate Bonds | | |
| 35,000,000 | China Green Holdings 3% 12/04/2013 | 5,076,254 | 0.39 |
| | | <u>5,076,254</u> | <u>0.39</u> |
| | Gain on Contracts for Difference* | | |
| | United Kingdom | | |
| 500,000 | BHP Billiton | 5,311,570 | 0.40 |
| | | <u>5,311,570</u> | <u>0.40</u> |
| | Total Financial assets at Fair Value through Profit or Loss | 1,279,858,286 | 97.57 |
| | Loss on Contracts for Difference* | | |
| | Taiwan | | |
| 6,000,000 | Taiwan Cement | (646,740) | (0.05) |
| 1,536,839 | Wistron | (3,013,453) | (0.23) |
| | | <u>(3,660,193)</u> | <u>(0.28)</u> |
| | Total Financial liabilities at Fair Value through Profit or Loss | (3,660,193) | (0.28) |
| | Net Financial Assets and Liabilities at Fair Value through Profit or Loss | 1,276,198,093 | 97.29 |
| | Other Net Assets | 35,488,707 | 2.71 |
| | Net assets attributable to Holders of Redeemable Participating Shares | <u>1,311,686,800</u> | <u>100.00</u> |

*The counterparty for the contracts for difference is UBS

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2010

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------|---|-------------------|-------------------------|
| | Equities | | |
| | Australia | | |
| 567,780 | Challenger Infrastructure Fund | 792,960 | 0.28 |
| 4,000,000 | Telstra | 10,916,351 | 3.81 |
| 250,000 | WorleyParsons | 5,826,785 | 2.04 |
| | | 17,536,096 | 6.13 |
| | Belgium | | |
| 1,333 | Groupe Bruxelles Lambert | 18 | - |
| | | 18 | - |
| | China | | |
| 9,690,000 | Shenzhen Expressway | 5,091,986 | 1.78 |
| | | 5,091,986 | 1.78 |
| | France | | |
| 47,750 | PPR | 6,347,020 | 2.22 |
| | | 6,347,020 | 2.22 |
| | Germany | | |
| 180,000 | Fresenius Medical Care | 10,056,462 | 3.51 |
| | | 10,056,462 | 3.51 |
| | Hong Kong | | |
| 3,700,000 | CNOOC | 6,061,668 | 2.12 |
| 9,421,780 | RREEF China Commercial | 5,072,389 | 1.77 |
| | | 11,134,057 | 3.89 |
| | Netherlands | | |
| 140,000 | Heineken Holding | 6,160,573 | 2.15 |
| | | 6,160,573 | 2.15 |
| | Norway | | |
| 276,000 | StatoilHydro | 6,372,268 | 2.23 |
| | | 6,372,268 | 2.23 |
| | Russia | | |
| 240,000 | Gazprom | 5,604,000 | 1.96 |
| | | 5,604,000 | 1.96 |

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------------------------|---|--------------------|-------------------------|
| Equities (continued) | | | |
| Singapore | | | |
| 8,600,000 | CapitaCommercial Trust | 6,636,182 | 2.32 |
| 14,240,000 | Fortune Real Estate Investment Trust | 6,547,590 | 2.28 |
| | | 13,183,772 | 4.60 |
| South Africa | | | |
| 570,000 | MTN Group | 8,691,228 | 3.03 |
| | | 8,691,228 | 3.03 |
| Switzerland | | | |
| 53,500 | Roche Holding | 8,645,802 | 3.02 |
| 450,000 | UBS | 7,272,170 | 2.54 |
| 32,000 | Zurich Financial Services | 8,235,466 | 2.88 |
| | | 24,153,438 | 8.44 |
| United Kingdom | | | |
| 45,000 | Atkins | 424,702 | 0.15 |
| 165,000 | BP | 9,376,950 | 3.27 |
| 200,000 | Standard Chartered | 5,373,380 | 1.88 |
| | | 15,175,032 | 5.30 |
| United States | | | |
| 255,000 | CVS Caremark | 9,437,550 | 3.30 |
| 50,000 | Laboratory Corp of America Holdings | 3,796,000 | 1.32 |
| 390,000 | Merck & Co | 14,683,500 | 5.13 |
| 250,000 | Microsoft | 7,437,500 | 2.60 |
| 69,000 | Millicom International Cellular | 6,180,330 | 2.16 |
| 169,000 | Sempra Energy | 8,492,250 | 2.97 |
| 360,000 | United Health Group | 11,901,600 | 4.16 |
| 100,000 | Varian Medical Systems | 5,562,000 | 1.94 |
| 260,000 | VCA Antech | 7,152,600 | 2.50 |
| | | 74,643,330 | 26.08 |
| | Total Equities | 204,149,280 | 71.32 |

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------|--|--------------------|-------------------------|
| | Gain on Contracts for Difference* | | |
| | Brazil | | |
| 410,000 | Companhia de Saneamento | 1,243,326 | 0.44 |
| | | 1,243,326 | 0.44 |
| | Ireland | | |
| 690,000 | Kingspan Group | 1,448,027 | 0.51 |
| | | 1,448,027 | 0.51 |
| | United Kingdom | | |
| 604,261 | Atkins | 352,536 | 0.12 |
| 350,000 | Bunzl | 967,123 | 0.34 |
| 1,715,000 | Catlin Group | 582,600 | 0.20 |
| 588,000 | Glaxosmithkline | 142,801 | 0.05 |
| 7,700,000 | Vodafone Group | 2,440,366 | 0.85 |
| | | 4,485,426 | 1.56 |
| | Total Gain on Contract for Difference | 7,176,779 | 2.51 |
| | Total Financial Assets at Fair Value through Profit or Loss | 211,326,059 | 73.83 |
| | Loss on Contracts for Difference* | | |
| | Egypt | | |
| 2,125,000 | Telecom Egypt | (331,462) | (0.12) |
| | | (331,462) | (0.12) |
| | Loss on Forward Currency Contracts** | | |
| | GBP 12,494,534/USD 20,000,000 08/04/2010 | (1,072,961) | (0.37) |
| | | (1,072,961) | (0.37) |

*The counterparty for the contracts for difference is UBS

**The counterparty for the forward currency contracts is HSBC Bank plc

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial Liabilities at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------------|--|---------------------------|---------------------------------|
| | Total Financial Liabilities at Fair Value through Profit or Loss | (1,404,423) | (0.49) |
| | Net Financial Assets and Laibilities at Fair Value through Profit or Loss | 209,921,636 | 73.34 |
| | Other Net Assets | 76,313,834 | 26.66 |
| | Net assets attributable to Holders of Redeemable Participating Shares | 286,235,470 | 100.00 |

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|--------------------|---|-------------------|-------------------------|
| Equities | | | |
| Australia | | | |
| 778,198 | Challenger Infrastructure | 717,426 | 0.16 |
| 11,660,000 | Telstra | 21,005,453 | 4.81 |
| | | 21,722,879 | 4.97 |
| Canada | | | |
| 148,000 | Bank of Nova Scotia | 4,928,333 | 1.13 |
| 320,000 | Crescent Point Energy Trust | 8,108,846 | 1.85 |
| 7,675,000 | Middlefield Canadian Income Trusts | 5,986,500 | 1.37 |
| 427,000 | Vermilion Energy Trust | 9,851,968 | 2.25 |
| | | 28,875,647 | 6.60 |
| China | | | |
| 15,120,000 | Anhui Expressway | 6,800,278 | 1.55 |
| 12,704,000 | Shenzhen Expressway | 4,406,765 | 1.01 |
| 15,600,000 | Zhejiang Expressway | 9,297,406 | 2.13 |
| | | 20,504,449 | 4.69 |
| Hong Kong | | | |
| 5,000,000 | CNOOC | 5,407,248 | 1.24 |
| 21,500,000 | Hopewell Highway Infrastructure | 9,687,986 | 2.22 |
| 9,738,050 | RREEF China Commercial | 3,460,728 | 0.79 |
| | | 18,555,962 | 4.25 |
| Italy | | | |
| 755,000 | ENI | 11,732,759 | 2.68 |
| | | 11,732,759 | 2.68 |
| Netherlands | | | |
| 510,000 | KPN | 5,305,553 | 1.21 |
| | | 5,305,553 | 1.21 |
| Norway | | | |
| 955,000 | StatoilHydro | 14,554,741 | 3.33 |
| | | 14,554,741 | 3.33 |
| Singapore | | | |
| 11,600,000 | Ascendas Real Estate Investment Trust | 10,504,422 | 2.40 |
| 21,000,000 | CapitaCommercial Trust | 10,696,852 | 2.45 |

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|--|---|--------------------|-------------------------|
| Equities (continued) | | | |
| Singapore (continued) | | | |
| 9,286,000 | Fortune Real Estate Investment Trust | 2,818,487 | 0.64 |
| 9,175,000 | Parkway Life Real Estate Investment Trust | 5,885,155 | 1.35 |
| 6,450,000 | Singapore Technologies Engineering | 9,704,280 | 2.22 |
| | | 39,609,196 | 9.06 |
| Switzerland | | | |
| 194,000 | Roche Holding | 20,695,234 | 4.73 |
| | | 20,695,234 | 4.73 |
| United Kingdom | | | |
| 3,450,000 | BAE Systems | 12,820,200 | 2.93 |
| 3,700,000 | BP | 23,036,200 | 5.27 |
| 600,000 | Catlin Group | 2,152,200 | 0.49 |
| 2,040,000 | GlaxoSmithKline | 25,612,200 | 5.86 |
| 335,000 | Standard Chartered | 5,941,257 | 1.36 |
| 2,180,000 | Vodafone Group | 3,312,510 | 0.76 |
| | | 72,874,567 | 16.67 |
| United States | | | |
| 1,800,000 | Altria Group | 24,512,509 | 5.61 |
| 1,070,000 | Merck & Co | 26,592,844 | 6.08 |
| 341,000 | Sempra Energy | 11,311,143 | 2.59 |
| | | 62,416,496 | 14.28 |
| Total Equities | | 316,847,483 | 72.47 |
| Corporate Bonds | | | |
| 2,650,000 | Standard Chartered (Floating Rate Note) Perpetual | 997,096 | 0.23 |
| | | 997,096 | 0.23 |
| Gain on Contracts for Difference* | | | |
| Brazil | | | |
| 1,000,000 | Companhia de Saneamento | 264,339 | 0.06 |
| | | 264,339 | 0.06 |
| Ireland | | | |
| 575,000 | Kingspan Group | 709,651 | 0.16 |
| | | 709,651 | 0.16 |

*The counterparty for the contracts for difference is UBS

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|--|--|--------------------|-------------------------|
| Gain on Contracts for Difference* (continued) | | | |
| Switzerland | | | |
| 145,000 | Zurich Financial | 433,414 | 0.11 |
| | | 433,414 | 0.11 |
| United Kingdom | | | |
| 1,250,000 | Atkins | 627,641 | 0.14 |
| 3,960,000 | Catlin Group | 1,019,242 | 0.23 |
| 655,000 | HSBC Holdings | 1,633,535 | 0.37 |
| 13,120,000 | Vodafone Group | 2,914,622 | 0.67 |
| | | 6,195,040 | 1.41 |
| Total Gain on Contracts for Difference | | 7,602,444 | 1.74 |
| Total Financial Assets at Fair Value through Profit or Loss | | 325,447,023 | 74.44 |
| Loss on Contracts for Difference* | | | |
| Egypt | | | |
| 4,400,000 | Telecom Egypt | (685,655) | (0.16) |
| | | (685,655) | (0.16) |
| Total Financial Liabilities at Fair Value through Profit or Loss | | (685,655) | (0.16) |
| Net Financial Assets and Liabilities at Fair Value through Profit or Loss | | 324,761,368 | 74.28 |
| Other Net Assets | | 112,439,026 | 25.72 |
| Total Assets Attributable to Holders of Redeemable Participating Shares | | 437,200,394 | 100.00 |

*The counterparty for the contracts for difference is UBS

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2010

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------------|--|-------------------|-------------------------|
| Equities | | | |
| China | | | |
| 500,000 | Air China | 515,185 | 0.56 |
| 750,000 | China Dongxiang Group | 538,046 | 0.59 |
| 400,000 | China Life Insurance | 1,911,337 | 2.09 |
| 1,000,000 | China Longyuan Power Group | 1,183,638 | 1.29 |
| 226,000 | China Merchants Bank | 609,811 | 0.67 |
| 249,970 | China Merchants Property Development | 556,977 | 0.61 |
| 800,000 | China Pacific Insurance Group | 3,549,625 | 3.87 |
| 200,000 | China Shenhua Energy | 861,647 | 0.94 |
| 2,000,000 | China Wireless Technologies | 868,087 | 0.95 |
| 2,876,000 | Dalian Port | 1,344,618 | 1.47 |
| 118,600 | Datong Coal Industry | 640,095 | 0.70 |
| 700,000 | Golden Eagle Retail Group | 1,397,440 | 1.53 |
| 300,000 | Gree Electric Appliances (Warrant) (JP Morgan) | 1,236,000 | 1.35 |
| 600,000 | Huiyin Household Appliances Holdings | 192,422 | 0.21 |
| 1,000,000 | Intime Department Store Group | 965,972 | 1.05 |
| 550,000 | Jiangsu Expressway | 515,700 | 0.56 |
| 687,000 | Lianhua Supermarket Holdings | 2,473,101 | 2.70 |
| 580,250 | Parkson Retail Group | 995,457 | 1.09 |
| 130,950 | Shanxi Xinghuacun Fen Wine | 759,697 | 0.83 |
| 1,960,000 | Shenzhou International Group Holdings | 2,786,945 | 3.04 |
| 1,000,000 | Sichuan Expressway | 586,023 | 0.64 |
| 1,200,000 | Sound Global | 810,231 | 0.88 |
| 3,000,000 | Synear Food Holdings | 643,041 | 0.70 |
| 3,012,000 | Tianneng Power International | 1,850,447 | 2.02 |
| 1,000,000 | Travelsky Technology | 835,888 | 0.91 |
| 400,000 | Trump Dragon Distillers Holdings | 240,069 | 0.26 |
| 300,000 | Tsingtao Brewery | 1,506,916 | 1.65 |
| 160,000 | Weichai Power | 1,339,481 | 1.46 |
| 1,000,000 | Weiqiao Textile | 789,521 | 0.86 |
| 1,000,000 | Yanzhou Coal Mining | 2,393,035 | 2.61 |
| 2,750,000 | Zhejiang Expressway | 2,482,870 | 2.71 |
| 500,000 | Zhejiang Supor Cookware (Participatory Note) (JP Morgan) | 1,537,525 | 1.68 |
| | | 38,916,847 | 42.48 |

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------------------------|--|-------------------|-------------------------|
| Equities (continued) | | | |
| Hong Kong | | | |
| 100,000 | Beijing Enterprises Holdings | 690,348 | 0.75 |
| 364,000 | Cathay Pacific Airways | 766,049 | 0.84 |
| 3,500,000 | Champion REIT | 1,672,420 | 1.83 |
| 608,000 | Chigo Holding | 489,426 | 0.53 |
| 500,000 | China Unicom Hong Kong | 559,620 | 0.61 |
| 500,000 | Comba Telecom Systems Holdings | 640,117 | 0.70 |
| 200,000 | Dah Sing Banking Group | 273,563 | 0.30 |
| 897,000 | Digital China Holdings | 1,515,757 | 1.65 |
| 400,000 | Embry Holdings | 221,014 | 0.24 |
| 50,000 | Hong Kong Aircraft Engineering | 630,458 | 0.69 |
| 300,000 | Hongkong & Shanghai Hotels | 462,894 | 0.51 |
| 400,000 | Hysan Development | 1,154,015 | 1.26 |
| 600,000 | Industrial & Commercial Bank of China Asia | 1,506,916 | 1.64 |
| 1,000,000 | iShares FTSE/Xinhua A50 CHINA Index ETF | 1,767,085 | 1.93 |
| 100,000 | Kerry Properties | 536,436 | 0.59 |
| 2,000,000 | Lee & Man Paper Manufacturing | 1,561,011 | 1.70 |
| 500,000 | Lonking Holdings | 370,289 | 0.40 |
| 1,500,000 | Midland Holdings | 1,622,833 | 1.77 |
| 200,000 | Minth Group | 334,870 | 0.37 |
| 1,600,000 | Nine Dragons Paper Holdings | 2,662,477 | 2.91 |
| 606,000 | Shangri-La Asia | 1,184,807 | 1.29 |
| 2,000,000 | Sino Biopharmaceutical | 785,657 | 0.86 |
| 25,000 | SouthGobi Energy Resources | 393,473 | 0.43 |
| 1,000,000 | TCL Multimedia Technology Holdings | 1,032,946 | 1.13 |
| 950,000 | VST Holdings | 271,631 | 0.30 |
| 1,500,000 | Xinyi Glass Holdings | 1,367,816 | 1.49 |
| | | 24,473,928 | 26.72 |
| Singapore | | | |
| 60,000 | China Yuchai International | 1,085,400 | 1.18 |
| 3,800,000 | Fortune Real Estate Investment Trust | 1,747,250 | 1.91 |
| | | 2,832,650 | 3.09 |
| Taiwan | | | |
| 1,000,000 | Advanced Semiconductor Engineering | 913,098 | 0.99 |
| 50,000 | Prime View International | 905,250 | 0.99 |
| | | 1,818,348 | 1.98 |
| | Total Equities | 68,041,773 | 74.27 |

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-------------|--|-------------------|-------------------------|
| | Gain on Contracts for Difference* | | |
| | Cayman Islands | | |
| (500,000) | Shimao Property Holdings | 2,825 | 0.00 |
| | | 2,825 | 0.00 |
| | China | | |
| 70,000 | West China Cement | 227,992 | 0.25 |
| | | 227,992 | 0.25 |
| | Hong Kong | | |
| (1,000,000) | Agile Property Holdings | 57,715 | 0.06 |
| | | 57,715 | 0.06 |
| | Taiwan | | |
| 800,000 | Long Bon International | 40,756 | 0.05 |
| 500,000 | Silitech Technology | 126,003 | 0.14 |
| 350,000 | Tripod Technology | 221,283 | 0.24 |
| | | 388,042 | 0.43 |
| | Total Gain on Contracts for Difference | 676,574 | 0.74 |
| | Gain on Forward Currency Contracts** | | |
| | GBP 10,080,500/USD 15,047,382 08/04/2010 | 222,817 | 0.24 |
| | | 222,817 | 0.24 |
| | Total Financial Assets at Fair Value through Profit or Loss | 68,941,164 | 75.25 |
| | Loss on Contracts for Difference* | | |
| | China | | |
| (500,000) | Dong Feng Motor Group | (100,744) | (0.11) |
| (128,400) | Dongfang Electrical Machinery | (156,788) | (0.17) |
| (1,000,000) | Guangzhou R&F Properties | (36,647) | (0.04) |
| (3,000,000) | Shanghai Electric Group | (35,314) | (0.04) |
| | | (329,493) | (0.36) |
| | Hong Kong | | |
| (850,000) | China OS Land & Investment | (124,983) | (0.14) |
| (15,000) | CNOOC | (187,267) | (0.20) |
| | | (312,250) | (0.34) |

*The counterparty for the contracts for difference is UBS

**The counterparty for the forward currency contracts is HSBC Bank plc

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF INVESTMENTS
AS AT 31 MARCH 2010
(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value USD | % of Net Asset Value |
|-----------|--|--------------------------|-------------------------|
| | Loss on Contracts for Difference* (continued) | | |
| | Taiwan | | |
| 1,000,000 | CTCI | (48,901) | (0.05) |
| 211,000 | Wistron | (425,797) | (0.47) |
| | | <u>(474,698)</u> | <u>(0.52)</u> |
| | Total loss on Contracts for Difference | <u>(1,116,441)</u> | <u>(1.22)</u> |
| | Loss on Forward Currency Contracts** | | |
| | EUR 9,647,000/USD 13,036,398 08/04/2010 | (36,533) | (0.04) |
| | | <u>(36,533)</u> | <u>(0.04)</u> |
| | Future Contracts | | |
| (200) | HKG H-Shares Index April | (402,720) | (0.44) |
| | | <u>(402,720)</u> | <u>(0.44)</u> |
| | Total Financial Liabilities at Fair Value through Profit or Loss | (1,555,694) | (1.70) |
| | Net Financial Assets and Liabilities at Fair Value through Profit or Loss | 67,385,470 | 73.55 |
| | Other Net Assets | 24,227,066 | 26.45 |
| | Total Assets Attributable to Holders of Redeemable Participating Shares | <u>91,612,536</u> | <u>100.00</u> |

*The counterparty for the contracts for difference is UBS

**The counterparty for the forward currency contracts is HSBC Bank plc

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial assets at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|-----------|---|-------------------|-------------------------|
| | Equities | | |
| | Australia | | |
| 267,670 | Challenger Infrastructure Fund | 246,767 | 0.66 |
| 800,000 | Telstra | 1,441,197 | 3.84 |
| 50,000 | WorleyParsons | 769,263 | 2.05 |
| | | 2,457,227 | 6.55 |
| | China | | |
| 1,950,000 | Shenzhen Expressway | 676,416 | 1.80 |
| | | 676,416 | 1.80 |
| | France | | |
| 8,500 | PPR | 745,817 | 1.99 |
| | | 745,817 | 1.99 |
| | Germany | | |
| 35,000 | Fresenius Medical Care | 1,290,796 | 3.44 |
| | | 1,290,796 | 3.44 |
| | Hong Kong | | |
| 900,000 | CNOOC | 973,305 | 2.59 |
| 4,654,000 | RREEF China Commercial | 1,653,948 | 4.41 |
| | | 2,627,253 | 7.00 |
| | Norway | | |
| 56,000 | StatoilHydro | 853,472 | 2.27 |
| | | 853,472 | 2.27 |
| | Russia | | |
| 50,000 | Gazprom OAO | 770,678 | 2.05 |
| | | 770,678 | 2.05 |
| | Singapore | | |
| 1,400,000 | CapitaCommercial Trust | 713,123 | 1.90 |
| 3,200,000 | Fortune Real Estate Investment Trust | 971,264 | 2.59 |
| | | 1,684,387 | 4.49 |
| | South Africa | | |
| 115,000 | MTN Group | 1,157,498 | 3.08 |
| | | 1,157,498 | 3.08 |

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|--|--|-------------------|-------------------------|
| Equities (continued) | | | |
| Switzerland | | | |
| 10,600 | Roche Holding | 1,130,771 | 3.01 |
| | | 1,130,771 | 3.01 |
| United Kingdom | | | |
| 180,000 | BAE Systems | 668,880 | 1.78 |
| 100,000 | British Sky Broadcasting | 599,000 | 1.60 |
| 48,000 | Standard Chartered | 851,284 | 2.27 |
| | | 2,119,164 | 5.65 |
| United States | | | |
| 57,500 | CVS Caremark | 1,404,763 | 3.74 |
| 13,000 | Laboratory Corp of America Holdings | 651,502 | 1.73 |
| 42,000 | Merck & Co | 1,043,831 | 2.78 |
| 50,000 | Microsoft | 981,913 | 2.62 |
| 17,000 | Millicom International Cellular | 1,005,142 | 2.68 |
| 21,000 | Sempra Energy | 696,581 | 1.86 |
| 80,000 | United Health Group | 1,745,858 | 4.65 |
| 22,000 | Varian Medical Systems | 807,736 | 2.15 |
| 49,800 | VCA Antech | 904,349 | 2.41 |
| | | 9,241,675 | 24.62 |
| | Total Equities | 24,755,154 | 65.95 |
| Gain on Contracts for Difference* | | | |
| Ireland | | | |
| 150,000 | Kingspan Group | 73,386 | 0.19 |
| | | 73,386 | 0.19 |
| United Kingdom | | | |
| 100,000 | Atkins | 12,000 | 0.03 |
| 130,000 | BP | 29,380 | 0.08 |
| 90,000 | Bunzl | 45,000 | 0.12 |
| 300,000 | Catlin | 56,340 | 0.15 |
| 1,305,000 | Vodafone Group | 101,289 | 0.27 |
| | | 244,009 | 0.65 |
| | Total Gain on Contracts for Difference | 317,395 | 0.84 |

*The counterparty for the contracts for difference is UBS

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

SCHEDULE OF INVESTMENTS

AS AT 31 MARCH 2010

(CONTINUED)

Transferable securities admitted to official stock exchange listing or dealt in on another regulated market

| Holdings | Financial liabilities at fair value through profit or loss | Fair Value GBP | % of Net Asset Value |
|----------|--|--------------------|-------------------------|
| | Gain on Forward Currency Contracts** | | |
| | GBP 129,862/USD 196,000 08/04/2010 | 474 | 0.00 |
| | | 474 | 0.00 |
| | Total Financial Assets at Fair Value through Profit or Loss | 25,073,023 | 66.79 |
| | Loss on Contracts for Difference* | | |
| | Brazil | | |
| 125,000 | Companhia de Saneamento | (403,508) | (1.07) |
| | | (403,508) | (1.07) |
| | Egypt | | |
| 560,000 | Telecom Egypt | (58,513) | (0.16) |
| | | (58,513) | (0.16) |
| | United Kingdom | | |
| 103,000 | Glaxosmithkline | (40,958) | (0.11) |
| | | (40,958) | (0.11) |
| | Total Loss on Contracts for Difference | (502,979) | (1.34) |
| | Loss on Forward Currency Contracts** | | |
| | USD 22,250,000/GBP 14,912,665 08/04/2010 | (224,555) | (0.60) |
| | CNY 60,039,000/GBP 5,902,727 29/03/2011 | (31,077) | (0.08) |
| | USD 9,000,000/GBP 6,036,885 29/03/2011 | (86,915) | (0.23) |
| | | (342,547) | (0.91) |
| | Future Contracts | | |
| (50) | CME S&P 500 Index Future | (154,796) | (0.41) |
| | | (154,796) | (0.41) |
| | Total Financial Liabilities at Fair Value through Profit or Loss | (1,000,322) | (2.66) |
| | Net Financial Assets and Liabilities at Fair Value through Profit or Loss | 24,072,701 | 64.13 |
| | Other Net Assets | 13,463,273 | 35.87 |
| | Total Assets Attributable to Holders of Redeemable Participating Shares | 37,535,974 | 100.00 |

*The counterparty for the contracts for difference is UBS

**The counterparty for the forward currency contracts is HSBC Bank plc

VERITAS FUNDS PLC

**BALANCE SHEET
AS AT 31 MARCH 2010**

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund GBP | Veritas China Fund* USD | Veritas Global Real Return Fund** GBP | Total 2010 USD |
|--|------|---------------------------------|--|--|----------------------------------|--|----------------------|
| ASSETS | | | | | | | |
| Financial assets at fair value through profit or loss | | 1,279,858,286 | 211,326,059 | 325,447,023 | 68,941,164 | 25,073,023 | 2,091,128,327 |
| Cash and cash equivalents | | 48,307,880 | 60,596,661 | 81,213,472 | 23,896,441 | 6,411,841 | 265,544,569 |
| Margin cash held with brokers | | 6,007,666 | 19,940,829 | 11,147,599 | 4,888,978 | 7,465,173 | 59,033,961 |
| Due from brokers | | 18,204,943 | - | - | 3,533,562 | - | 21,738,505 |
| Due from shareholders | | 22,407,758 | 542,920 | 22,684,811 | 538,024 | 200,056 | 58,156,986 |
| Dividends receivable | | 2,882,810 | 454,412 | 1,391,860 | - | 98,431 | 5,594,864 |
| Other debtors | | 1,711 | 134,638 | 46,454 | 14,020 | 4,261 | 227,197 |
| TOTAL ASSETS | | 1,377,671,054 | 292,995,519 | 441,931,219 | 101,812,189 | 39,252,785 | 2,501,424,409 |
| LIABILITIES | | | | | | | |
| Financial liabilities at fair value through profit or loss | | 3,660,193 | 1,404,423 | 685,655 | 1,555,694 | 1,000,322 | 9,174,397 |
| Bank overdraft | | 14,587 | 9,496 | 827,424 | 747,810 | 264,867 | 2,426,605 |
| Due to brokers | | 48,107,187 | 133,878 | 2,455,972 | 6,195,923 | 3,439 | 58,162,750 |
| Due to shareholders | | 14,316,212 | 5,109,257 | 449,884 | 53,467 | - | 20,160,465 |
| Management fee payable | 3 | 1,231,990 | 204,000 | 422,855 | 87,986 | 34,101 | 2,216,219 |
| Performance fee payable | 3 | - | - | - | 1,733,457 | 433,082 | 2,389,533 |
| Other creditors | | 311,905 | 118,034 | 357,869 | 18,422 | 9,283 | 1,004,560 |
| LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES) | | 67,642,074 | 6,979,088 | 5,199,659 | 10,392,759 | 1,745,094 | 95,534,529 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (AT BID PRICES) | | 1,310,028,980 | 286,016,431 | 436,731,560 | 91,419,430 | 37,507,691 | 2,405,889,880 |
| Adjustment from bid prices to last traded market prices | | 1,657,820 | 219,039 | 468,834 | 193,106 | 28,283 | 2,823,048 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (AT LAST TRADED PRICES) | | 1,311,686,800 | 286,235,470 | 437,200,394 | 91,612,536 | 37,535,974 | 2,408,712,928 |

*Date of commencement of operations: 1 October 2009

** Date of commencement of operations: 11 January 2010

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

**BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund* GBP | Total 2009 USD |
|---|------|------------------------------|-------------------------------------|--|----------------------|
| ASSETS | | | | | |
| Financial assets at fair value through profit or loss | | 1,044,674,660 | 142,471,213 | 167,591,689 | 1,457,236,639 |
| Cash and cash equivalents | | 19,229,700 | 29,706,190 | 37,962,325 | 110,115,973 |
| Margin cash held with brokers | | 5,748,379 | 19,556,057 | 9,228,620 | 40,177,280 |
| Due from brokers | | 33,117,618 | 2,102,331 | 338,159 | 35,764,926 |
| Due from shareholders | | 10,719,795 | 4,357,030 | 8,049,967 | 28,050,151 |
| Dividends receivable | | 1,372,843 | 194,085 | 329,867 | 2,098,542 |
| Other debtors | | 2,929 | 51,869 | 123,863 | 254,416 |
| TOTAL ASSETS | | 1,114,865,924 | 198,438,775 | 223,624,490 | 1,673,697,927 |
| LIABILITIES | | | | | |
| Financial liabilities at fair value through profit or loss | | - | 100,328 | 355,934 | 673,951 |
| Bank overdraft | | 23,356,658 | 24,712 | 130 | 23,381,581 |
| Due to brokers | | 35,615,192 | 2,457,534 | 9,410,508 | 53,238,701 |
| Due to shareholders | | 2,695,901 | - | 888,589 | 4,127,950 |
| Management fee payable | 3 | 884,002 | 119,065 | 190,019 | 1,309,302 |
| Other creditors | | 233,673 | 70,110 | 96,503 | 459,307 |
| LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES) | | 62,785,426 | 2,771,749 | 10,941,683 | 83,190,792 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (AT BID PRICES) | | 1,052,080,498 | 195,667,026 | 212,682,807 | 1,590,507,135 |
| Adjustment from bid prices to mid day mid-market prices | | 1,755,252 | 222,677 | 440,315 | 2,687,541 |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES (AT MID DAY MID-MARKET PRICES) | | 1,053,835,750 | 195,889,703 | 213,123,122 | 1,593,194,676 |

*Previously known as Veritas Global Income Fund

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund GBP | Veritas China Fund* USD | Veritas Global Real Return Fund** GBP | Total 2010 USD |
|--|------|---------------------------------|--|--|----------------------------------|---|----------------------|
| INCOME | | | | | | | |
| Interest income | | 6,492 | 1,099,790 | 1,345,695 | 37,241 | 107,769 | 3,461,774 |
| Dividend income | | 9,387,023 | 1,971,816 | 5,712,382 | 62,671 | 235,711 | 20,908,619 |
| Other income | | 3,231 | 2 | 71 | - | - | 3,346 |
| Net loss on financial assets and liabilities at fair value through profit or loss | | 64,809,830 | 18,691,875 | 31,288,455 | 6,500,823 | 2,968,464 | 144,641,742 |
| Net gain/(loss) on foreign exchange | | 3,160,489 | (624,943) | (56,734) | (82,953) | 179,536 | 2,648,460 |
| TOTAL INVESTMENT GAIN | | 77,367,065 | 21,138,540 | 38,289,869 | 6,517,782 | 3,491,480 | 171,663,941 |
| EXPENSES | | | | | | | |
| Investment management fees | 3 | 6,170,579 | 924,856 | 1,705,004 | 430,174 | 80,151 | 10,372,901 |
| Performance fees | 3 | - | - | - | 1,731,984 | 433,670 | 2,423,680 |
| Administration fees | 3 | 532,134 | 134,057 | 158,157 | 45,537 | 9,298 | 978,816 |
| Custodian fees | 3 | 514,798 | 110,405 | 125,237 | 57,968 | 7,384 | 894,699 |
| Directors' fees | 3 | 21,503 | 4,330 | 4,782 | 760 | 214 | 34,562 |
| Audit fees | | 29,333 | 5,492 | 6,775 | 1,300 | 476 | 47,690 |
| Legal fees | | 22,524 | 4,476 | 6,337 | 932 | 200 | 38,358 |
| Other expenses | | 327,228 | 115,840 | 417,724 | 37,795 | 13,902 | 1,169,299 |
| TOTAL EXPENSES | | 7,618,099 | 1,299,456 | 2,424,016 | 2,306,450 | 545,295 | 15,960,005 |
| NET INCOME | | 69,748,966 | 19,839,084 | 35,865,853 | 4,211,332 | 2,946,185 | 155,703,936 |
| FINANCE COSTS | | | | | | | |
| Distributions to redeemable participating shareholders | 5 | - | - | (6,430,513) | - | - | (10,256,561) |
| Interest expense | | (163,918) | (43,019) | (2,192) | (7,839) | (290) | (218,735) |
| GAIN FOR THE FINANCIAL PERIOD BEFORE WITHHOLDING TAX | | 69,585,048 | 19,796,065 | 29,433,148 | 4,203,493 | 2,945,895 | 145,228,640 |
| Less: Withholding tax | | (358,998) | (233,664) | (600,983) | (1,274) | (16,705) | (1,579,138) |
| GAIN FOR THE FINANCIAL PERIOD AFTER WITHHOLDING TAX | | 69,226,050 | 19,562,401 | 28,832,165 | 4,202,219 | 2,929,190 | 143,649,502 |
| Adjustment from bid prices to last traded market prices | | (97,432) | (3,638) | 28,519 | 193,106 | 28,283 | 182,634 |
| INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS | | 69,128,618 | 19,558,763 | 28,860,684 | 4,395,325 | 2,957,473 | 143,832,136 |

*Date of commencement of operations: 1 October 2009

** Date of commencement of operations: 11 January 2010

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund* GBP | Total 2009 USD |
|--|------|------------------------------|-------------------------------------|--|----------------------|
| INCOME | | | | | |
| Interest income | | 257,309 | 1,797,503 | 1,716,541 | 4,707,905 |
| Dividend income | | 15,371,959 | 3,405,938 | 5,252,215 | 26,895,742 |
| Other income | | 16,298 | - | 937 | 17,746 |
| Net gain on financial assets and liabilities at fair value through profit or loss | | 190,751,169 | 35,748,136 | 31,143,156 | 274,634,297 |
| Net loss on foreign exchange | | (3,625,605) | (275,247) | (819,409) | (5,167,334) |
| TOTAL INVESTMENT INCOME | | 202,771,130 | 40,676,330 | 37,293,440 | 301,088,356 |
| EXPENSES | | | | | |
| Investment management fees | 3 | 5,949,972 | 967,655 | 1,232,550 | 8,822,661 |
| Administration fees | 3 | 616,644 | 149,640 | 130,371 | 967,786 |
| Custodian fees | 3 | 563,388 | 108,465 | 98,717 | 824,430 |
| Directors' fees | 3 | 28,111 | 14,774 | 10,208 | 58,663 |
| Audit fees | | 92,857 | (9,079) | (3,856) | 77,818 |
| Legal fees | | 54,968 | 13,505 | 4,684 | 75,713 |
| Other expenses | | 182,504 | 43,237 | 40,516 | 288,363 |
| TOTAL EXPENSES | | 7,488,444 | 1,288,197 | 1,513,190 | 11,115,434 |
| NET INCOME | | 195,282,686 | 39,388,133 | 35,780,250 | 289,972,922 |
| FINANCE COSTS | | | | | |
| Distributions to redeemable participating shareholders | 5 | (9,268,791) | (4,303,718) | (9,073,352) | (27,596,320) |
| Interest expense | | (101,836) | (62,763) | (59,802) | (257,029) |
| GAIN FOR THE FINANCIAL YEAR BEFORE WITHHOLDING TAX | | 185,912,059 | 35,021,652 | 26,647,096 | 262,119,573 |
| Less: Withholding tax | | (809,304) | (350,446) | (430,206) | (1,824,678) |
| GAIN FOR THE FINANCIAL YEAR AFTER WITHHOLDING TAX | | 185,102,755 | 34,671,206 | 26,216,890 | 260,294,895 |
| Adjustment from bid prices to Mid day Mid-Market prices | | (37,996) | 19,136 | 185,357 | 267,629 |
| INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS | | 185,064,759 | 34,690,342 | 26,402,247 | 260,562,524 |

*Previously known as Veritas Global Income Fund

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2009

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund* GBP | Total 2009 USD |
|--|------|------------------------|-------------------------------|--|----------------------|
| INCOME | | | | | |
| Interest income | | 50,097 | 530,164 | 389,737 | 1,157,649 |
| Dividend income | | 3,156,919 | 759,252 | 1,979,046 | 6,848,091 |
| Other income | | 7,571 | - | 818 | 8,783 |
| Net loss on financial assets and liabilities at fair value through profit or loss | | (86,881,208) | (12,855,360) | (1,797,231) | (102,399,132) |
| Net (loss)/gain on foreign exchange | | (2,813,129) | 2,167,575 | (2,055,086) | (3,690,126) |
| TOTAL INVESTMENT LOSS | | (86,479,750) | (9,398,369) | (1,482,716) | (98,074,735) |
| EXPENSES | | | | | |
| Investment management fees | 3 | 2,065,918 | 371,792 | 408,733 | 3,043,240 |
| Administration fees | 3 | 241,869 | 56,627 | 44,707 | 364,729 |
| Custodian fees | 3 | 212,984 | 40,354 | 32,402 | 301,341 |
| Directors' fees | 3 | 11,498 | 8,422 | 5,567 | 28,167 |
| Audit fees | | 47,727 | (4,194) | (3,782) | 37,930 |
| Legal fees | | 24,672 | 2,663 | 1,006 | 28,825 |
| Other expenses | | 65,280 | 19,596 | 16,142 | 108,790 |
| TOTAL EXPENSES | | 2,669,948 | 495,260 | 504,775 | 3,913,022 |
| NET LOSS | | (89,149,698) | (9,893,629) | (1,987,491) | (101,987,757) |
| FINANCE COSTS | | | | | |
| Distributions to redeemable participating shareholders | 5 | - | - | (1,351,050) | (2,001,556) |
| Interest expense | | (24,750) | (307,989) | (167,780) | (581,302) |
| LOSS FOR THE FINANCIAL PERIOD BEFORE WITHHOLDING TAX | | (89,174,448) | (10,201,618) | (3,506,321) | (104,570,615) |
| Less: Withholding tax | | (249,857) | (88,594) | (164,821) | (582,630) |
| LOSS FOR THE FINANCIAL PERIOD AFTER WITHHOLDING TAX | | (89,424,305) | (10,290,212) | (3,671,142) | (105,153,245) |
| Adjustment from bid prices to last traded market prices | | (676,993) | (44,409) | 28,943 | (678,523) |
| DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS | | (90,101,298) | (10,334,621) | (3,642,199) | (105,831,768) |

*Previously known as Veritas Global Income Fund

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2010**

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund GBP | Veritas China Fund* USD | Veritas Global Real Return Fund** GBP | Total 2010 USD |
|---|------|---------------------------------|--|--|----------------------------------|--|----------------------|
| Net Assets attributable to holders of redeemable participating shares at the start of the period | | 1,053,835,750 | 195,889,703 | 213,123,122 | - | - | 1,593,194,676 |
| Foreign Exchange movement arising on aggregation | | - | - | - | - | - | (41,559,868) |
| Increase in net assets attributable to holders of redeemable participating shares from operations | | 69,128,618 | 19,558,763 | 28,860,684 | 4,395,325 | 2,957,473 | 143,832,136 |
| Proceeds from redeemable participating shares issued | | 367,498,807 | 87,534,554 | 216,214,119 | 93,395,877 | 36,756,250 | 951,912,760 |
| Redemption of redeemable participating shares | | (178,776,375) | (16,747,550) | (20,997,531) | (6,178,666) | (2,177,749) | (238,666,776) |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD | | 1,311,686,800 | 286,235,470 | 437,200,394 | 91,612,536 | 37,535,974 | 2,408,712,928 |

*Date of commencement of operations: 1 October 2009

** Date of commencement of operations: 11 January 2010

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

| | Note | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund* GBP | Total 2009 USD |
|---|------|------------------------------|-------------------------------------|--|----------------------|
| Net Assets attributable to holders of redeemable participating shares at the start of the year | | 543,115,346 | 58,815,470 | 56,892,765 | 704,329,258 |
| Foreign Exchange movement arising on aggregation | | - | - | - | (399,510) |
| Increase in net assets attributable to holders of redeemable participating shares from operations | | 185,064,759 | 34,690,342 | 26,402,247 | 260,562,524 |
| Proceeds from redeemable participating shares issued | | 635,780,871 | 120,229,322 | 146,045,043 | 981,738,020 |
| Redemption of redeemable participating shares | | (310,125,226) | (17,845,431) | (16,216,933) | (353,035,616) |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR | | 1,053,835,750 | 195,889,703 | 213,123,122 | 1,593,194,676 |

*Previously known as Veritas Global Income Fund

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2009

| | Veritas Asian Fund USD | Veritas Global Focus Fund USD | Veritas Global Equity Income Fund* GBP | Total 2009 USD |
|---|---------------------------------|--|---|----------------------|
| Net Assets attributable to holders of redeemable participating shares at the start of the period | 543,115,346 | 58,815,470 | 56,892,765 | 704,329,258 |
| Foreign Exchange movement arising on aggregation | - | - | - | (22,445,769) |
| Decrease in net assets attributable to holders of redeemable participating shares from operations | (90,101,298) | (10,334,621) | (3,642,199) | (105,831,768) |
| Proceeds from redeemable participating shares issued | 93,662,385 | 58,010,007 | 40,265,618 | 211,325,159 |
| Redemption of redeemable participating shares | (160,390,516) | (9,353,339) | (2,458,493) | (173,386,067) |
| NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD | 386,285,917 | 97,137,517 | 91,057,691 | 613,990,813 |

**Previously known as Veritas Global Income Fund*

The notes on pages 40 to 48 form part of these financial statements.

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2010

1. General

The Company was incorporated in Ireland on 24 April 2001 as an open-ended investment company with variable capital and limited liability under the Companies Acts, 1963 to 2006. The Company is authorised by the Financial Regulator pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). The Company is listed on the Irish Stock Exchange.

The Company is an umbrella type structure in which different Sub-Funds may be issued from time to time with the prior approval of the Financial Regulator. There are five Sub-Funds currently in existence, Veritas Asian Fund (which has a functional currency of US Dollars), Veritas Global Focus Fund (which has a functional currency of US Dollars), Veritas Global Equity Income Fund (which has a functional currency of GBP), Veritas China Fund (which has a functional currency of US Dollars) and Veritas Global Real Return Fund (which has a functional currency of GBP).

2. Principal accounting policies

The financial statements are prepared in accordance with the accounting standards generally accepted in Ireland and provisions of the Companies Acts, 1963 to 2006, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). Accounting standards generally accepted in Ireland in preparing Financial Statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board. Specifically these financial statements have been prepared in accordance with the ASB (Accounting Standards Board) Statement: Half Yearly Reports.

The comparative figures included for the Balance Sheet relate to the previous year ended 30 September 2009, while the comparative figures included for the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares relate to both the previous year ended 30 September 2009 and the six month period ended 31 March 2009.

The accounting policies used in the preparation of these financial statements are consistent with those used in the Company's most recent annual financial statements for the year ended 30 September 2009. There have been no changes to the Company's accounting policies since the date of the Company's last annual financial statements, for the year ended 30 September 2009. The format of these financial statements differs in some respects from that of the most recent annual financial statements, in that the notes to the financial statements are presented in summary form.

3. Fees and expenses

Investment management fees

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

| Fund | Share Class | % Fee |
|--------------------|--------------------|--------------|
| Veritas Asian Fund | GBP A Shares | 1.00% |
| Veritas Asian Fund | GBP Retail Shares | 1.50% |
| Veritas Asian Fund | EUR A Shares | 1.00% |
| Veritas Asian Fund | EUR Retail Shares | 1.50% |
| Veritas Asian Fund | USD A Shares | 1.00% |
| Veritas Asian Fund | USD Retail Shares | 1.50% |

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Fees and expenses (continued)

Investment management fees (continued)

| | | |
|-----------------------------------|------------------------|-------|
| Veritas Global Focus Fund | GBP A Share Class | 0.75% |
| Veritas Global Focus Fund | GBP Retail Share Class | 1.50% |
| Veritas Global Focus Fund | GBP B Share Class | 1.00% |
| Veritas Global Focus Fund | USD A Share Class | 0.75% |
| Veritas Global Focus Fund | USD Retail Share Class | 1.50% |
| Veritas Global Focus Fund | USD B Share Class | 1.00% |
| Veritas Global Equity Income Fund | GBP A Share Class | 1.00% |
| Veritas Global Equity Income Fund | GBP Retail Share Class | 1.50% |
| Veritas Global Equity Income Fund | USD A Share Class | 1.00% |
| Veritas Global Equity Income Fund | USD Retail Share Class | 1.50% |
| Veritas China Fund | GBP A Share Class | 1.00% |
| Veritas China Fund | GBP Retail Share Class | 1.50% |
| Veritas China Fund | USD A Share Class | 1.00% |
| Veritas China Fund | USD Retail Share Class | 1.50% |
| Veritas China Fund | EUR A Shares | 1.00% |
| Veritas China Fund | EUR Retail Shares | 1.50% |
| Veritas Global Real Return Fund | GBP A Share Class | 1.00% |
| Veritas Global Real Return Fund | GBP Retail Share Class | 1.50% |
| Veritas Global Real Return Fund | USD A Share Class | 1.00% |
| Veritas Global Real Return Fund | USD Retail Share Class | 1.50% |
| Veritas Global Real Return Fund | EUR A Shares | 1.00% |
| Veritas Global Real Return Fund | EUR Retail Shares | 1.50% |

The Investment Manager is also entitled to be paid out of the assets of the Sub-Fund reasonable out-of-pocket expenses (plus VAT if any). The Investment Management fees for the period amounted to USD 10,372,901 (30 September 2009: USD 8,822,661) (31 March 2009: USD 3,043,240) of which USD 2,216,219 (30 September 2009: USD 1,309,302) was payable at the period end.

Performance fees

For the Veritas Asian Fund and Veritas Global Real Return Fund the Investment Manager is entitled to a performance fee in respect of the shares of each class in issue on any dealing day (before taking into account issues and repurchases of shares of each class made on that dealing day) equal to 20% of the amount by which the Net Asset Value per share of each class on such a dealing day before deduction of the applicable performance fee exceeds the High Water Mark and the Hurdle Rate. The Hurdle Rate is the minimum return that should be achieved by a fund before a performance fee is paid. For the Veritas Asian Fund, the hurdle rate is calculated daily based on the MSCI Asia Pacific (excluding Japan) Total Return Index while for the Veritas Global Real Return Fund, the hurdle rate is calculated based on the United Kingdom Consumer Price Index ('UK CPI') plus 2%.

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Fees and expenses (continued)

Performance fees (continued)

For the Veritas China Fund the Investment Manager is entitled to a performance fee in respect of the shares of each class in issue on any dealing day (before taking into account issues and repurchases of shares of each class made on that dealing day) equal to 20% of the amount by which the Net Asset Value per share of each class on such a dealing day before deduction of the applicable performance fee exceeds the High Water Mark.

The performance fee accrues daily and crystallises and is payable in arrears at the end of each Performance Fee Period. The accrual for the relevant Performance Fee Period is the performance fee per Share multiplied by the average number of Shares in issue for that Class over the period from the start of the Performance Fee Period to the relevant Dealing Day.

On each Dealing Day the accounting provision made on the immediately preceding Dealing Day is adjusted to reflect the relevant Class performance, positive or negative, calculated as described above. If the Net Asset Value per Share for that Class is lower than the High Water Mark or the Hypothetical Net Asset Value per Share the provision already made will be returned to that Class. No performance fee will be accrued/paid until the Net Asset Value per Share exceeds the High Water Mark and Hurdle Rate and the performance fee is only payable/paid on the increase over the High Water Mark and Hurdle Rate. For the avoidance of doubt, the accounting provision will never be negative and under no circumstances will the Investment Manager pay money into the Class or to any Shareholder for any underperformance.

The calculation of such performance fees will be verified by the Custodian. The Performance fee for the period amounted to USD 2,423,680 (30 September 2009: USD Nil) (31 March 2009: USD Nil) of which USD 2,389,533 (30 September 2009: USD Nil) was payable at the period end.

Custodian fees

HSBC Institutional Trust Services (Ireland) Limited, "The Custodian" is entitled to a fee for each Sub-Fund of 8 basis points per annum as of each Valuation Point and payable monthly in arrears out of the assets of each Sub-Fund, subject to an agreed minimum fee of USD 25,000 per annum together with custody transaction fees of USD 50 per transaction and failed trade fee of USD 100 per failed trade.

The Custodian is entitled to be reimbursed for all transaction charges and reasonable out-of-pocket expenses properly incurred for the benefit of the Company. The Custodian will also be reimbursed for Sub-Custodian fees and agent charges at normal commercial rates.

The Custodian fee for the period amounted to USD 894,699 (30 September 2009: USD 824,430) (31 March 2009: USD 301,341) of which USD 125,246 (30 September 2009: USD 77,459) was payable at the period end.

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Fees and expenses (continued)

Administration fees

HSBC Securities Services (Ireland) Limited, "The Administrator" is entitled to a fee for each Sub-Fund of 11.5 basis points for first USD 250 million, 9.5 basis points for USD 250 million to USD 500 million and 7.5 basis points thereafter as of each Valuation Point and payable monthly in arrears out of the assets of the Sub-Fund. Administration fees are subject to a minimum annual fee per Sub-Fund with one share class of USD 40,000, and USD 4,000 per additional share class.

The Administrator is also entitled to be reimbursed service transaction fees of US\$35 per transaction with all other reasonable out of pocket expenses. The Administrator also charges fees for company secretarial services based on time and charges subject to a maximum annual fee of USD 7,500.

The Administration fee for the period amounted to USD 978,816 (30 September 2009: USD 967,786) (31 March 2009: USD 364,729) of which USD 235,989 (30 September 2009: USD 126,937) was payable at the period end.

Directors' fees

The Directors are entitled to an annual fee as remuneration for their services provided that the aggregate emoluments do not exceed USD 37,000 per annum plus reasonable out of pocket expenses. Mr Mike Kirby is entitled to receive €15,000 per annum as remuneration for his services. Brian Wilkinson is entitled to receive €15,000 per annum as remuneration for his services. Mr Richard Grant and Mr Charles Richardson, being directors of the Investment Manager, have waived their entitlement to Directors' fees. The total of such remuneration and directors' expenses for the current period is USD 34,562 (30 September 2009: USD 58,663) (31 March 2009: USD 28,167).

4. Taxation

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

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

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

(a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and

(b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

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

VERITAS FUNDS PLC

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

5. Distributions

The Company is certified as a distributing fund for the purposes of UK Taxation for the period ended 30 September 2008. Certification is being sought for the year ended 30 September 2009 for each Sub-Fund. It is intended that dividends will normally be paid annually not later than 30 January in each year. At least 85% of the net investment income return of the Company (i.e. income from dividends, interest or otherwise less accrued expenses) will be distributed. In addition, the Company may distribute such part of any net realised capital gains as is, in their opinion, appropriate to maintain a satisfactory level of distribution.

The dividends paid for the period ended 31 March 2010 were as follows:

| Fund | Share Class | Date | Gross amount |
|-----------------------------------|------------------------|---------------|---------------------|
| Veritas Global Equity Income Fund | GBP A Share Class | 29 March 2010 | 4,798,915 |
| Veritas Global Equity Income Fund | GBP Retail Share Class | 29 March 2010 | 938,738 |
| Veritas Global Equity Income Fund | USD A Share Class | 29 March 2010 | 1,021,826 |
| Veritas Global Equity Income Fund | USD Retail Share Class | 29 March 2010 | 22,141 |

The dividends paid for the year ended 30 September 2009 were as follows:

| Fund | Share Class | Date | Gross Amount |
|-----------------------------------|------------------------|-------------------|---------------------|
| Veritas Asian Fund | GBP A Shares | 28 September 2009 | GBP 2,666,968 |
| Veritas Asian Fund | GBP Retail Shares | 28 September 2009 | GBP 71,451 |
| Veritas Asian Fund | EUR A Shares | 28 September 2009 | EUR 552,399 |
| Veritas Asian Fund | EUR Retail Shares | 28 September 2009 | EUR 3,267 |
| Veritas Asian Fund | USD A Shares | 28 September 2009 | USD 3,794,011 |
| Veritas Asian Fund | USD Retail Shares | 28 September 2009 | USD 169,165 |
| Veritas Global Focus Fund | GBP A Share Class | 28 September 2009 | GBP 1,549,021 |
| Veritas Global Focus Fund | GBP Retail Share Class | 28 September 2009 | GBP 4,291 |
| Veritas Global Focus Fund | GBP B Share Class | 28 September 2009 | GBP 6,034 |
| Veritas Global Focus Fund | USD A Share Class | 28 September 2009 | USD 1,506,681 |
| Veritas Global Focus Fund | USD Retail Share Class | 28 September 2009 | USD 341 |
| Veritas Global Focus Fund | USD B Share Class | 28 September 2009 | USD 248,580 |
| Veritas Global Equity Income Fund | GBP A Share Class | 24 March 2009 | GBP 714,894 |
| Veritas Global Equity Income Fund | GBP Retail Share Class | 24 March 2009 | GBP 295,035 |
| Veritas Global Equity Income Fund | USD A Share Class | 24 March 2009 | USD 494,469 |
| Veritas Global Equity Income Fund | USD Retail Share Class | 24 March 2009 | USD 18 |
| Veritas Global Equity Income Fund | GBP A Share Class | 28 September 2009 | GBP 4,821,528 |
| Veritas Global Equity Income Fund | GBP Retail Share Class | 28 September 2009 | GBP 1,518,236 |
| Veritas Global Equity Income Fund | USD A Share Class | 28 September 2009 | USD 2,238,450 |
| Veritas Global Equity Income Fund | USD Retail Share Class | 28 September 2009 | USD 20,539 |

The dividends paid for the period ended 31 March 2009 were as follows:

| Fund | Share Class | Date | Gross amount |
|-----------------------------------|------------------------|---------------|---------------------|
| Veritas Global Equity Income Fund | GBP A Share Class | 30 March 2009 | GBP 714,894 |
| Veritas Global Equity Income Fund | USD A Share Class | 30 March 2009 | USD 320,555 |
| Veritas Global Equity Income Fund | GBP Retail Share Class | 30 March 2009 | GBP 295,036 |
| Veritas Global Equity Income Fund | USD Retail Share Class | 30 March 2009 | USD 12 |

VERITAS FUNDS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Derivatives

Contracts for differences

Contracts for differences (CFD's) result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to possible movement in securities values underlying these instruments. In addition, a high degree of leverage may be typical. As a result, a relatively small price movement in a contract may result in substantial losses to the Company. The fair value of contracts for difference entered into by the Company as at 31 March 2010 are disclosed in the Schedule of Investments.

Forward contracts

Forward contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Forwards are individually traded over-the-counter contracts. Forward contracts result in credit exposure to the counterparty.

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

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

The fair value of forward contracts entered into by the Company as at 31 March 2010 are disclosed in the Schedule of Investments.

VERITAS FUNDS PLC

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

7. Exchange rates

The following exchange rates were used to translate assets and liabilities into the functional currency (United States Dollar) at 31 March 2010 for the Veritas Asian Fund, the Veritas Global Focus Fund and Veritas China Fund.

| | 31 March 2010 | 30 September 2009 |
|----------------------|--------------------------|------------------------------|
| Australian Dollar | 1.09194 | 1.13295 |
| Brazilian Real | 1.78905 | 1.78750 |
| British Pound | 0.66011 | 0.62050 |
| Chinese Yuen | 6.82590 | 6.82640 |
| Danish Krone | 5.52460 | 5.07545 |
| Egyptian Pound | 5.50250 | 5.49950 |
| Euro | 0.74209 | 0.68190 |
| Hong Kong Dollar | 7.76420 | 7.75020 |
| Indian Rupee | 44.93500 | 47.72500 |
| Indonesian Rupiah | 9,090.00000 | 9,645.00000 |
| Japanese Yen | 93.42500 | 89.48500 |
| Korean Won | 1,131.45000 | 1,178.10000 |
| Malaysian Ringgitt | 3.26200 | 3.46100 |
| New Taiwanese Dollar | 31.76000 | 32.02500 |
| Norwegian Krone | 5.94250 | 5.77470 |
| Philippine Peso | 45.19000 | 47.37500 |
| Singapore Dollar | 1.39960 | 1.40880 |
| South African Rand | 7.33550 | 7.42100 |
| Swiss Franc | 1.06000 | 1.02875 |
| Thai Baht | 32.33500 | 33.41000 |

The following exchange rates were used to translate assets and liabilities into the functional currency (GBP) at 31 March 2010 for the Veritas Global Equity Income Fund and the Veritas Global Real Return Fund.

| | 31 March 2010 | 30 September 2009 |
|----------------------|--------------------------|------------------------------|
| Australian Dollar | 1.65418 | 1.82587 |
| Brazilian Real | 2.71023 | 2.88074 |
| Canadian Dollar | 1.53906 | 1.72989 |
| Chinese Yuen | 10.34056 | 11.00143 |
| Egyptian Pound | 8.31235 | 8.76400 |
| Euro | 1.12419 | 1.09894 |
| Hong Kong Dollar | 11.76199 | 12.49022 |
| Korean Won | 1,714.03361 | 1,898.62596 |
| Malaysian Ringgit | 4.94160 | 5.57775 |
| New Taiwanese Dollar | 48.11322 | 51.61149 |
| New Zealand Dollar | 2.13652 | 2.23306 |
| Norwegian Krone | 9.00229 | 9.30651 |
| Singapore Dollar | 2.12025 | 2.27042 |
| South African Rand | 11.11255 | - |
| Swedish Krona | 10.92273 | - |
| Swiss Franc | 1.60579 | 1.65793 |
| Thai Baht | 48.98429 | 53.84356 |
| US Dollar | 1.51490 | 1.61160 |

VERITAS FUNDS PLC

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

8. Related parties

Mr Richard Grant and Mr Charles Richardson are directors of the Investment Manager.

As at 31 March 2010, Mr Richard Grant held 374 shares in Veritas Global Equity Income Fund, 454 shares in Veritas China Fund and 5,764 in Veritas Global Real Return Fund. As at 31 March 2010, Mr Charles Richardson held 55 shares (30 September 2009: 3,595) in Veritas Global Equity Income Fund and 19,380 shares in Veritas Global Real Return Fund.

Veritas Asset Management (UK) Limited, the Investment Manager, is a related party under the Financial Reporting Standard No.8 "Related Party Transactions". Fees payable to these parties and the amounts due at the period end are shown in notes 3.

9. Net asset value

Veritas Asian Fund

| Class | NAV | Total NAV | NAV | Total NAV |
|------------|-------------------------------|------------------|-----------------------------------|----------------------|
| | Per Share 31 March 2010 | 31 March 2010 | Per Share 30 September 2009 | 30 September 2009 |
| USD | 247.03 | 517,394,887 | 233.35 | 410,417,535 |
| GBP | 305.35 | 388,727,637 | 270.86 | 305,148,253 |
| EUR | 212.70 | 90,428,481 | 184.23 | 64,420,887 |
| USD Retail | 174.11 | 42,570,323 | 164.87 | 32,382,632 |
| GBP Retail | 223.57 | 23,996,491 | 199.00 | 14,950,659 |
| EUR Retail | 155.04 | 4,043,322 | 134.99 | 797,496 |

Veritas Global Focus Fund

| Class | NAV | Total NAV | NAV | Total NAV |
|--------------|-------------------------------|------------------|-----------------------------------|----------------------|
| | Per Share 31 March 2010 | 31 March 2010 | Per Share 30 September 2009 | 30 September 2009 |
| USD A Shares | 16.92 | 86,013,970 | 15.60 | 64,784,957 |
| GBP A Shares | 19.01 | 107,185,956 | 16.44 | 70,961,788 |
| USD B Shares | 16.96 | 35,635,205 | 15.65 | 13,213,226 |
| GBP B Shares | 19.03 | 553,296 | 16.50 | 348,630 |
| USD Retail | 12.23 | 369,206 | 11.32 | 15,714 |
| GBP Retail | 14.51 | 905,481 | 12.62 | 254,334 |

Veritas Global Equity Income Fund

| Class | NAV | Total NAV | NAV | Total NAV |
|------------|-------------------------------|------------------|-----------------------------------|----------------------|
| | Per Share 31 March 2010 | 31 March 2010 | Per Share 30 September 2009 | 30 September 2009 |
| USD | 108.12 | 68,712,354 | 105.02 | 51,780,754 |
| GBP | 138.97 | 325,372,016 | 126.35 | 138,774,138 |
| USD Retail | 110.92 | 1,924,234 | 107.75 | 691,128 |
| GBP Retail | 131.61 | 62,820,686 | 119.93 | 691,128 |

VERITAS FUNDS PLC

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

9. Net asset value (continued)

Veritas Global Real Return Fund

| Class | NAV Per Share 31 March 2010 | Total NAV 31 March 2010 | NAV Per Share 30 September 2009 | Total NAV 30 September 2009 |
|--------------|--|--|--|--|
| USD | 16.61 | 21,918,890 | - | - |
| GBP | 9.03 | 22,987,971 | - | - |
| EUR | 10.10 | 10 | - | - |
| USD Retail | 16.10 | 22,477 | - | - |
| GBP Retail | 9.05 | 64,269 | - | - |
| EUR Retail | 10.10 | 10 | - | - |

Veritas China Fund

| Class | NAV Per Share 31 March 2010 | Total NAV 31 March 2010 | NAV Per Share 30 September 2009 | Total NAV 30 September 2009 |
|--------------|--|--|--|--|
| USD | 109.83 | 57,089,895.93 | - | - |
| GBP | 109.23 | 9,164,158.78 | - | - |
| EUR | 109.10 | 6,800,808.86 | - | - |
| USD Retail | 108.65 | 6,277,873.37 | - | - |
| GBP Retail | 108.60 | 904,720.28 | - | - |
| EUR Retail | 108.22 | 2,839,962.79 | - | - |

10. Significant matters arising during the period

The Company launched two new sub-funds, Veritas China Fund and Veritas Global Return Fund on 1 October 2009 and 11 January 2010 respectively. The Company has also introduced segregated liability between Sub-Funds as approved by the shareholders during the extraordinary general meeting of the Company on 24 February 2010.

Further details of the Company's performance during the period are included in the Investment Manager's reports on pages 3-13. There were no other significant matters arising during the six month period ended 31 March 2010.

11. Soft commissions

The Company has not entered into any soft commission arrangements during the period. The Investment Manager makes use of commission sharing arrangements with brokerage firms that sell shares or that provide research and advisory services to the Company. This may include situations where the dealing commission on a particular trade or a series of trades is shared between one or more providers of execution and/or research services. In this case a portion of the commission paid by the Investment Manager to the executing broker is used to purchase third party research or execution services.

12. Subsequent events

There were no subsequent events, which have a bearing on the understanding of the financial statements.

13. Approval of financial statements

The Financial Statements were approved by the Board of Directors on 17 May 2010.

VERITAS FUNDS PLC

VERITAS ASIAN FUND

SCHEDULE OF CHANGES IN INVESTMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

| 20 largest purchases | Units | Cost (US\$) |
|---------------------------------|--------------|------------------------|
| AMP | 3,500,000 | 20,650,761 |
| Asciano Group | 17,500,000 | 27,049,038 |
| Bank of China | 24,000,000 | 13,859,280 |
| Bharat Heavy Electricals | 270,000 | 14,403,489 |
| China Coal Energy | 22,200,000 | 36,921,637 |
| China Life Insurance | 5,400,000 | 25,211,630 |
| China Mobile | 3,000,000 | 29,679,698 |
| Cnooc | 8,500,000 | 13,394,209 |
| Computershare | 3,000,000 | 32,137,376 |
| Hanjin Shipping Co Limited | 750,000 | 16,489,013 |
| Hon Hai Prec Industries | 6,900,000 | 29,699,100 |
| Insurance Australia Group | 6,945,000 | 25,275,275 |
| Mediatek | 800,000 | 13,144,330 |
| Newcrest Mining | 900,000 | 30,292,470 |
| Rio Tinto | 300,000 | 20,222,757 |
| Samsung Electro Mechanics | 170,500 | 15,377,046 |
| Samsung Electronics | 24,500 | 16,434,225 |
| Skyworth Digital Holdings | 15,500,000 | 13,508,314 |
| Wesfarmers | 900,000 | 22,320,245 |
| Woolworths | 700,000 | 18,830,632 |
| 20 largest sales | Units | Proceeds (US\$) |
| ASX | 850,000 | 26,145,572 |
| Bank of China | 24,000,000 | 13,909,631 |
| Bharti Airtel Participatory | 1,846,000 | 13,595,522 |
| Capitaland | 5,500,000 | 14,824,126 |
| China Coal Energy | 6,700,000 | 13,252,814 |
| China Construction Bank | 40,800,000 | 35,707,683 |
| China Mobile | 3,000,000 | 29,025,872 |
| China Railway | 11,000,000 | 13,528,125 |
| Cnooc | 9,000,000 | 14,074,136 |
| Daewoo Securities | 1,200,000 | 22,529,573 |
| Fosters Group | 2,500,000 | 12,355,014 |
| HK Exchanges & Clearing | 1,250,000 | 22,816,392 |
| Hon Hai Prec Industries | 5,000,000 | 21,733,006 |
| Lenovo Group | 25,000,000 | 13,736,695 |
| Mediatek | 1,300,000 | 20,961,189 |
| Posco | 165,000 | 18,230,843 |
| QBE Insurance Group | 1,149,720 | 24,010,049 |
| Samsung Fire & Marine Insurance | 125,500 | 23,234,020 |
| Shimao Property Holdings | 11,030,000 | 19,993,661 |
| Sun Hung Kai Properties | 1,700,000 | 25,155,716 |

VERITAS FUNDS PLC

VERITAS GLOBAL FOCUS FUND

SCHEDULE OF CHANGES IN INVESTMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

| 20 largest purchases | Units | Cost (US\$) |
|--------------------------------|--------------|------------------------|
| BP | 60,000 | 3,380,036 |
| Catlin Group | 545,000 | 2,915,780 |
| CVS Caremark | 80,000 | 2,779,314 |
| Fortune Real Estate Investment | 14,240,000 | 5,122,372 |
| Fresenius Medical Care | 58,000 | 3,010,081 |
| Glaxosmithkline | 368,000 | 7,413,990 |
| Merck | 390,000 | 2,976,961 |
| Microsoft | 65,000 | 1,898,653 |
| MTN Group | 350,000 | 5,535,770 |
| Pinault Printemps | 47,750 | 6,087,492 |
| Roche Holding | 28,500 | 4,679,438 |
| Sempra En Com | 102,000 | 5,121,466 |
| Smith International | 206,800 | 5,717,709 |
| Telecom Egypt | 750,000 | 2,351,721 |
| UBS | 150,000 | 2,462,614 |
| Unitedhealth Gp Com | 170,000 | 4,521,358 |
| Varian Medical Systems | 100,000 | 4,031,371 |
| VCA Antech | 260,000 | 6,321,940 |
| Vodafone Group | 3,100,000 | 6,882,708 |
| Worleyparsons | 250,000 | 5,830,473 |
| 20 largest sales | Units | Proceeds (US\$) |
| Challenger Infrastructure | 1,002,222 | 1,594,489 |
| Groupe Bruxelles Lambert | 28,500 | 2,484,629 |
| HK Exchanges & Clearing | 205,000 | 3,705,094 |
| Hong Kong Land Holdings | 811,000 | 3,709,784 |
| KPN KON | 290,000 | 4,224,676 |
| Leyshon Resources | 993,000 | 154,155 |
| LG Telecom | 101,000 | 792,063 |
| Medtronic | 95,000 | 4,387,282 |
| Merck | 620,000 | - |
| Smith International | 206,800 | 8,264,130 |

VERITAS FUNDS PLC

VERITAS GLOBAL EQUITY INCOME FUND

**SCHEDULE OF CHANGES IN INVESTMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

| 20 largest purchases | Units | Cost (US\$) |
|---------------------------------------|--------------|------------------------|
| Altria Group | 1,145,000 | 14,167,399 |
| Anhui Expressway | 6,834,000 | 2,663,842 |
| Ascendas Real Estate Investment TrusT | 11,600,000 | 9,824,946 |
| BAE Systems | 2,740,000 | 5,917,532 |
| BP | 2,220,000 | 13,632,467 |
| Capitacommercial Trust | 7,200,000 | 3,619,471 |
| Crescent Point Energy Trust | 206,000 | 4,894,532 |
| ENI | 625,000 | 9,959,673 |
| Fortune Real Estate Investment | 9,286,000 | 2,701,392 |
| GlaxoSmithKline | 1,830,000 | 14,955,385 |
| Hopewell Highway Infrastructure | 11,080,000 | 4,467,226 |
| Merck | 1,070,000 | 6,689,776 |
| Roche Holding | 94,000 | 9,957,451 |
| Sempra En Com | 205,000 | 6,547,174 |
| Singapore Technologies Engineering | 7,100,000 | 4,356,362 |
| Statoil | 963,000 | 9,855,447 |
| Telstra Corporation | 4,551,000 | 8,341,224 |
| Vermilion Energy Trust | 496,400 | 8,219,105 |
| Zhejiang Expressway | 15,600,000 | 9,403,110 |
| Zurich Financial Services | 97,000 | 11,089,069 |
| 20 largest sales | Units | Proceeds (US\$) |
| Catlin Insurance | 44,200,000 | 4,846,658 |
| Challenger Infrastructure | 2,136,146 | 1,454,993 |
| Emerson Electric | 165,000 | 4,135,543 |
| Hong Kong Land | 951,000 | 2,723,950 |
| Huaneng Power | 10,450,000 | 3,965,478 |
| LG Telecom | 202,000 | 995,072 |
| Merck | 1,550,000 | - |
| Zurich Financial Services | 145,000 | 24,080,558 |

VERITAS FUNDS PLC

VERITAS CHINA FUND

SCHEDULE OF CHANGES IN INVESTMENTS
FOR THE PERIOD ENDED 31 MARCH 2010

| 20 largest purchases | Units | Cost (US\$) |
|---------------------------------|--------------|--------------------|
| Anhui Conch Cement | 400,000 | 2,644,486 |
| China Life Insurance | 600,000 | 2,699,906 |
| China Longyuan Power | 3,300,000 | 3,973,139 |
| China National Buildings | 1,250,000 | 2,411,184 |
| China Pacific Insurance | 800,000 | 3,387,981 |
| CME S&P 500 Index Mar 2010 | 60 | 16,365,000 |
| Cnooc | 2,200,000 | 3,443,455 |
| Henderson Land Development | 350,000 | 2,580,575 |
| HKG Hang Seng Index Nov 2009 | 60 | 8,790,662 |
| HKG Hang Seng Index Jan 2010 | 50 | 7,081,396 |
| HKG H-Shares Index Dec 2009 | 100 | 8,039,871 |
| HKG H-Shares Index Jan 2010 | 130 | 10,514,600 |
| HKG H-Shares Index March2010 | 300 | 23,511,942 |
| Nine Dragons Paper | 1,600,000 | 2,646,290 |
| NYM WTI Crude Oil Future4028810 | 200 | 14,960,110 |
| Shenzou International Group | 2,460,000 | 2,834,597 |
| Skyworth Digital Holdings | 3,500,000 | 2,791,649 |
| Wistron | 1,650,000 | 3,182,549 |
| Yanzhou Coal Mining | 2,400,000 | 4,549,018 |
| Zhejiang Expressway | 2,750,000 | 2,491,638 |

| 20 largest sales | Units | Proceeds (US\$) |
|---------------------------------|--------------|------------------------|
| Anhui Conch Cement | 400,000 | 2,458,656 |
| China Lilang | 3,000,000 | 2,451,514 |
| China Longyuan Power | 2,300,000 | 3,078,801 |
| China National Buildings | 1,250,000 | 2,251,729 |
| CME S&P 500 Index Mar 2010 | 60 | 16,165,500 |
| Cnooc | 2,200,000 | 3,433,914 |
| CNOOC Spn | 15,000 | 2,314,518 |
| Henderson Land Development | 350,000 | 2,544,613 |
| HKG Hang Seng Index Nov 2009 | 60 | 8,426,920 |
| HKG Hang Seng Index Jan 2010 | 50 | 6,812,591 |
| HKG H-Shares Index Dec 2009 | 100 | 8,403,023 |
| HKG H-Shares Index Jan 2010 | 130 | 10,961,694 |
| HKG H-Shares Index April 2010 | 200 | 15,567,693 |
| HKG H-Shares Index March2010 | 300 | 22,921,356 |
| HSBC Holding | 200,000 | 2,160,625 |
| Longfor Properties | 1,875,000 | 2,126,026 |
| NYM WTI Crude Oil Future4028810 | 200 | 15,215,360 |
| Skyworth Digital Holdings | 3,500,000 | 3,288,955 |
| Wistron | 1,439,000 | 2,715,398 |
| Yanzhou Coal Mining | 1,400,000 | 3,368,269 |

VERITAS FUNDS PLC

VERITAS GLOBAL REAL RETURN FUND

**SCHEDULE OF CHANGES IN INVESTMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

| 20 largest purchases | Units | Cost (US\$) |
|--------------------------------------|--------------|------------------------|
| Catlin Group | 300,000 | 1,019,895 |
| CME S&P 500 Index Mar 2010 | 30 | 5,735,441 |
| Cnooc | 900,000 | 876,880 |
| Companhia de Saneamento Minas Gerais | 125,000 | 1,479,303 |
| CVS Caremark | 57,500 | 1,146,897 |
| Fortune Real Estate Investment | 3,200,000 | 799,893 |
| Fresenius Medical Care | 35,000 | 1,148,694 |
| Glaxosmithkline | 103,000 | 1,335,182 |
| Kingspan Group | 150,000 | 797,415 |
| Medtronic | 37,000 | 1,007,681 |
| Merck | 42,000 | 950,350 |
| Microsoft | 50,000 | 949,299 |
| MTN Group | 115,000 | 1,104,986 |
| Roche Holding | 10,600 | 1,125,374 |
| RREEF China Commercial Trust | 4,654,000 | 1,204,229 |
| Statoil | 56,000 | 869,230 |
| Telecom Egypt | 560,000 | 1,165,887 |
| Telstra Corporation | 800,000 | 1,528,200 |
| Unitedhealth | 80,000 | 1,509,979 |
| Vodafone Group | 1,305,000 | 1,882,045 |
| 20 largest sales | Units | Proceeds (US\$) |
| Challenger Infrastructure | 229,660 | 218,883 |
| CME S&P 500 Index Future June 2010 | 50 | 9,549,895 |
| CME S&P 500 Index Mar 2010 | 30 | 5,158,529 |
| IFR Capital | 630,000 | 51,871 |
| Medtronic | 37,000 | 1,045,991 |
| Smith International | 42,000 | 1,099,499 |

VERITAS FUNDS PLC

SUPPLEMENTARY INFORMATION

1. Total expense ratio

The total expense ratio for each share class of each Sub-Fund for the period ended 31 March 2010 is as follows:

Veritas Asian Fund

| | |
|------------------|-------|
| USD Class | 1.22% |
| GBP Class | 1.22% |
| EUR Class | 1.22% |
| USD Retail Class | 1.73% |
| GBP Retail Class | 1.73% |
| EUR Retail Class | 1.73% |

Veritas Global Focus Fund

| | |
|------------------|-------|
| USD Class A | 1.01% |
| GBP Class A | 1.01% |
| USD Class B | 1.27% |
| GBP Class B | 1.25% |
| USD Retail Class | 1.78% |
| GBP Retail Class | 1.76% |

Veritas Global Equity Income Fund

| | |
|------------------|-------|
| USD Class A | 1.28% |
| GBP Class A | 1.28% |
| USD Retail Class | 1.80% |
| GBP Retail Class | 1.78% |

Veritas China Fund

| | |
|------------------|-------|
| USD Class A | 5.92% |
| GBP Class A | 5.44% |
| EUR Class A | 5.13% |
| USD Retail Class | 6.00% |
| GBP Retail Class | 5.65% |
| EUR Retail Class | 5.62% |

Veritas Global Real Return Fund

| | |
|------------------|-------|
| USD Class A | 7.72% |
| GBP Class A | 6.18% |
| EUR Class A | 5.72% |
| USD Retail Class | 4.51% |
| GBP Retail Class | 6.68% |
| EUR Retail Class | 5.72% |

The total expense ratio for performance-related fee paid to the Investment Manager for each share class of each sub-fund for the period ended 31 March 2010 is as follows:

Veritas Asian Fund

| | |
|------------------|---|
| USD Class | - |
| GBP Class | - |
| EUR Class | - |
| USD Retail Class | - |
| GBP Retail Class | - |
| EUR Retail Class | - |

VERITAS FUNDS PLC

SUPPLEMENTARY INFORMATION (CONTINUED)

1. Total expense ratio (continued)

| | |
|--|-------|
| Veritas Global Focus Fund | |
| USD Class A | - |
| GBP Class A | - |
| USD Class B | - |
| GBP Class B | - |
| USD Retail Class | - |
| GBP Retail Class | - |
| Veritas Global Equity Income Fund | |
| USD Class A | - |
| GBP Class A | - |
| USD Retail Class | - |
| GBP Retail Class | - |
| Veritas China Fund | |
| USD Class A | 4.59% |
| GBP Class A | 4.11% |
| EUR Class A | 3.76% |
| USD Retail Class | 4.19% |
| GBP Retail Class | 3.82% |
| EUR Retail Class | 3.79% |
| Veritas Global Real Return Fund | |
| USD Class A | 6.42% |
| GBP Class A | 4.86% |
| EUR Class A | 5.21% |
| USD Retail Class | 2.47% |
| GBP Retail Class | 4.57% |
| EUR Retail Class | 5.21% |

2. Portfolio turnover rate

The portfolio turnover rate for each Sub-Fund for the period ended 31 March 2010 is as follows:

| | |
|-----------------------------------|--------|
| Veritas Asian Fund | 0.83 |
| Veritas Global Focus Fund | 0.12 |
| Veritas Global Equity Income Fund | 0.12 |
| Veritas China Fund | 2.45 |
| Veritas Global Real Return Fund | (0.07) |

3. Publications

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