

Vertex Fund

Semi-Annual Financial Statements

June 30, 2011 (Unaudited)

Vertex Fund

Statements of Net Assets

As at June 30, 2011 (unaudited) and December 31, 2010 (audited)

	June 30, 2011	December 31, 2010
Assets		
Investments at fair value	\$ 1,150,541,812	\$ 1,140,507,906
Cash and cash equivalents	663,143,241	181,054,998
Accrued interest and dividends receivable	5,778,789	6,901,030
Miscellaneous receivable	335,368	116,846
Due from broker	25,444,228	3,777
Subscriptions receivable	11,818,770	14,249,993
	<u>1,857,062,208</u>	<u>1,342,834,550</u>
Liabilities		
Securities sold short at fair value	550,853,607	272,637,112
Accrued performance fees	-	22,549,037
Dividends and interest payable on securities sold short	1,771,895	1,167,556
Distributions payable	-	136,615
Securities borrowing fees payable	1,849,526	905,347
Accounts payable and accrued liabilities	100,332	115,838
Due to broker	212,459,821	4,250,000
Redemptions payable	9,560,861	3,525,825
	<u>776,596,042</u>	<u>305,287,330</u>
Net assets representing unitholders' equity	<u>\$ 1,080,466,166</u>	<u>\$ 1,037,547,220</u>
Net assets representing unitholders' equity per Class		
Class A	\$ 333,406,763	\$ 329,657,264
Class B	\$ 246,551,102	\$ 236,338,704
Class F	<u>\$ 500,508,301</u>	<u>\$ 471,551,252</u>
Net assets per unit (Note 2)		
Class A	\$ 71.52	\$ 71.32
Class B	\$ 10.41	\$ 10.43
Class F	<u>\$ 68.23</u>	<u>\$ 68.04</u>

Approved by the Fund Manager

(signed) "John Thiessen"

John W. Thiessen

Director

(signed) "Jeffrey McCord"

Jeffrey McCord

Director

(See accompanying notes to financial statements)

Vertex Fund

Statements of Operations

For the six months ended June 30 (unaudited)

	2011	2010
Investment income		
Dividends (net of withholding taxes: \$337,469; 2010 - \$1,352,942)	\$ 15,982,825	\$ 36,918,576
Interest and other	14,002,985	13,598,841
	<u>29,985,810</u>	<u>50,517,417</u>
Expenses (Note 6)		
Management fee	7,442,423	5,795,354
Dividends and interest - short sales	4,139,403	1,632,049
Securities borrowing fee	6,466,862	2,173,655
Performance fee	17,212,013	23,029,277
Securityholder reporting costs	191,928	146,273
Other administrative expenses	72,304	62,395
Audit fees	229,538	24,000
Custody fees	-	12,000
Legal fees	13,330	12,000
Trustee fees	2,666	22,723
Derivatives transaction fees	27,706	11,963
	<u>35,798,173</u>	<u>32,921,689</u>
Net investment income (loss)	<u>(5,812,363)</u>	<u>17,595,728</u>
Realized and unrealized gain (loss) on investments and transaction costs		
Realized gain on sale of investments	169,653,232	141,657,221
Realized loss on securities sold short	(2,857,438)	(8,698,578)
Transaction costs (Note 2)	(5,548,420)	(2,613,947)
Change in unrealized depreciation in value of investments and securities sold short	(154,042,009)	(140,457,917)
Change in unrealized depreciation in value of foreign currency	(1,117,525)	(9,138,842)
Net realized and unrealized gain (loss) on investments	<u>6,087,840</u>	<u>(19,252,063)</u>
Increase (decrease) in net assets from operations	<u>275,477</u>	<u>(1,656,335)</u>
Increase (decrease) in net assets from operations per Class		
Class A	\$ 834,110	\$ 283,172
Class B	\$ (1,006,387)	\$ (1,056,324)
Class BB	\$ -	\$ 72,976
Class F	\$ 447,754	\$ (1,289,203)
Class FF	\$ -	\$ 333,044
Increase (decrease) in net assets from operations per unit (Note 2)*		
Class A	\$ 0.18	\$ 0.06
Class B	\$ (0.04)	\$ (0.05)
Class F	\$ 0.06	\$ (0.21)

* Based on the weighted average number of units outstanding for the period

(See accompanying notes to financial statements)

Vertex Fund

Statements of Changes in Net Assets

For the six months ended June 30 (unaudited)

	Class A		Class B		Class BB	
	2011	2010	2011	2010	2011	2010
Net assets, beginning of period	\$ 329,657,264	\$ 299,799,422	\$ 236,338,704	\$ 180,642,568	\$ -	\$ 11,429,039
Increase (decrease) in net assets from operations	834,110	283,172	(1,006,387)	(1,056,324)	-	72,976
Capital transactions (Note 4)						
Proceeds from issuance of units	11,333,209	6,090,265	25,741,062	24,606,030	-	-
Redemption of units	(8,506,236)	(22,067,817)	(14,543,471)	(9,730,689)	-	(11,502,015)
Reinvestment of distributions	88,416	-	21,194	-	-	-
	<u>2,915,389</u>	<u>(15,977,552)</u>	<u>11,218,785</u>	<u>14,875,341</u>	<u>-</u>	<u>(11,502,015)</u>
Net assets, end of period	\$ 333,406,763	\$ 284,105,042	\$ 246,551,102	\$ 194,461,585	\$ -	\$ -
	Class F		Class FF		Total	
	2011	2010	2011	2010	2011	2010
Net assets, beginning of period	\$ 471,551,252	\$ 320,794,999	\$ -	\$ 46,329,582	\$ 1,037,547,220	\$ 858,995,610
Increase (decrease) in net assets from operations	447,754	(1,289,203)	-	333,044	275,477	(1,656,335)
Capital transactions (Note 4)						
Proceeds from issuance of units	45,897,353	87,268,004	-	(110,000)	82,971,624	117,854,299
Redemption of units	(17,374,370)	(15,782,973)	-	(46,552,626)	(40,424,077)	(105,636,120)
Reinvestment of distributions	(13,688)	-	-	-	95,922	-
	<u>28,509,295</u>	<u>71,485,031</u>	<u>-</u>	<u>(46,662,626)</u>	<u>42,643,469</u>	<u>12,218,179</u>
Net assets, end of period	\$ 500,508,301	\$ 390,990,827	\$ -	\$ -	\$ 1,080,466,166	\$ 869,557,454

(See accompanying notes to financial statements)

Vertex Fund

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2011	2010
Operating Activities		
Increase (decrease) in net assets from operations	\$ 275,477	\$ (1,656,335)
Adjustment for non-cash items:		
Realized gain on sale of investments	(169,653,232)	(141,657,221)
Net realized gain (loss) on securities sold short	2,857,438	8,698,578
Transaction costs	5,548,420	2,613,947
Change in unrealized depreciation of investments and securities sold short	154,042,009	140,457,917
Change in unrealized depreciation on foreign currency	1,117,525	9,138,842
	<u>(5,812,363)</u>	<u>17,595,728</u>
Changes in operating assets and liabilities:		
Increase (decrease) in accrued interest and dividends receivable	903,719	(1,488,208)
Increase in securities borrowing payable	944,179	119,518
Increase in due from broker	(25,440,451)	(91,914,334)
Increase (decrease) in accounts payable and accrued liabilities	(15,506)	12,940
Increase (decrease) in dividends and interest payable on securities sold short	604,339	(84,332)
Decrease in performance fees payable	(22,549,037)	(2,919,744)
Decrease in distributions payable	(136,615)	-
Increase in due to broker	208,209,821	1,961,330
	<u>162,520,449</u>	<u>(94,312,830)</u>
Proceeds on disposition of investments	2,639,455,837	1,193,220,653
Purchase of investments	(2,365,089,486)	(1,100,377,012)
	<u>274,366,351</u>	<u>92,843,641</u>
Net Cash From (provided to) Operating Activities	<u>431,074,437</u>	<u>16,126,539</u>
Financing Activities		
Proceeds from sale of units	82,971,624	117,854,299
Units redeemed	(40,424,077)	(105,636,120)
Increase in subscriptions receivable	2,431,223	5,958,992
Decrease in redemptions payable	6,035,036	4,556,073
	<u>51,013,806</u>	<u>22,733,244</u>
Net Cash From (provided to) Financing Activities	<u>51,013,806</u>	<u>22,733,244</u>
Increase (decrease) in cash and cash equivalents	<u>482,088,243</u>	<u>38,859,783</u>
Cash and cash equivalents, Beginning of period	<u>181,054,998</u>	<u>8,973,034</u>
Cash and cash equivalents, End of period	<u>\$ 663,143,241</u>	<u>\$ 47,832,817</u>

(See accompanying notes to the financial statements.)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Coupon Rate %	Maturity Date	Average Cost \$	Fair Value \$	% of Total
LONG						
BONDS						
Corporate Bonds						
11,375,000	ABN Amro North American Holding Preferred Capital Repackage	6.523%	8-Nov-12	10,530,938	10,154,682	
13,600,000	ACE Cash Express Inc.	11.000%	1-Feb-19	13,644,988	13,158,200	
3,000,000	Aegon NV	3.290%	29-Jul-49	2,182,988	1,999,498	
750,000	Alange Energy Corp.	9.000%	5-May-14	750,000	750,000	
17,000,000	ATP Oil & Gas Corp.	11.875%	1-May-15	14,881,433	16,652,834	
4,000,000	Barclays Bank PLC	14.000%	15-Jun-19	7,948,265	7,770,065	
15,000,000	BayernLB Capital Trust I	6.203%	31-May-17	7,377,572	8,287,813	
8,100,000	Caesars Entertainment	12.750%	15-Apr-18	8,202,283	7,797,782	
6,850,000	CCS Inc.*	11.000%	15-Nov-15	6,252,442	6,842,331	
7,300,000	Central European Media Enterprises Ltd.	11.625%	15-Sep-16	10,504,099	10,823,289	
2,000,000	Circus&Eldor/Silver Leg	10.125%	1-Mar-12	1,919,902	1,814,392	
5,000,000	Clearwire Communications LLC/Clearwire Finance Inc.	12.000%	1-Dec-15	5,240,452	5,169,327	
250,000	ColCan Energy Corp.	6.000%	1-Aug-13	250,000	250,000	
1,400,000	Community Choice Financial Inc.	10.750%	1-May-19	1,334,973	1,371,410	
5,000,000	Detour Gold Corp.	5.500%	30-Nov-17	5,368,918	5,266,774	
3,000,000	Flint Energy Services Ltd.	7.500%	15-Jun-19	2,970,000	2,966,616	
16,212,000	Great Atlantic & Pacific Tea Co.	11.375%	1-Aug-15	14,695,955	16,663,237	
1,000,000	Harrahs Operating Co. Inc.	6.500%	1-Jun-16	826,526	762,431	
7,522,000	ING Capital Funding TR III	3.846%	29-Dec-49	6,995,557	6,855,723	
6,000,000	Jaguar Mining Inc.	4.500%	1-Nov-14	6,019,212	5,131,929	
2,500,000	LBG Capital No.2 PLC	15.000%	21-Dec-19	3,773,151	5,193,291	
2,000,000	Lloyds Banking Group PLC	6.413%	10-Jan-35	1,307,592	1,399,398	
3,000,000	Local TV Finance LLC	9.250%	15-Jun-15	2,958,031	2,898,925	
4,180,000	MEGA Brands Inc.	10.000%	31-Mar-15	4,333,941	4,348,036	
30,000	Methylation Sciences Inc.	8.000%	31-Jul-11	29,965	30,000	
2,050,000	Millar Western Forest Products Ltd	8.500%	1-Apr-21	1,994,144	1,780,613	
13,700,000	National Money Mart Co.	10.375%	15-Dec-16	14,582,497	14,511,031	
5,000,000	Neo Material Technologies Inc	5.000%	31-Dec-17	4,974,780	4,837,573	
1,311,100	New Gold Inc.	10.000%	28-Jun-17	1,270,471	1,382,555	
500,000	Nortel Networks Ltd.	10.750%	15-Jul-16	162,524	464,455	
21,169,000	Northgroup Preferred Capital Corp.	6.378%	29-Jan-49	15,942,935	19,266,944	
1,500,000	P1 Energy Inc.	12.000%	30-Sep-12	1,523,897	1,579,258	
1,800,000	Parex Resources Inc.	5.250%	30-Jun-16	1,800,000	1,863,000	
7,000,000	Silver Standard Resources Inc.	4.500%	1-Mar-28	7,087,536	6,920,350	
22,000,000	SLM Corp.	6.000%	10-May-12	16,516,565	22,205,718	
1,200,000	Speedy Cash Inc	10.750%	15-Oct-18	1,142,041	1,184,180	
2,000,000	State Street Capital Trust III	5.237%	15-Mar-42	1,994,753	1,931,053	
5,000,000	Telcordia Technologies Inc.	11.000%	1-May-18	6,229,640	6,092,206	
2,000,000	Touchstone Exploration Inc.	9.500%	30-Jun-16	2,000,000	2,000,000	
4,111,000	Valeant Pharmaceuticals International Inc.	7.000%	1-Oct-20	3,867,817	3,838,589	
31,159,000	Wachovia Capital Trust III	5.570%	31-Dec-49	24,103,378	27,515,524	
9,000,000	Xinergy Corp.	9.250%	15-May-19	8,539,710	8,772,776	
10,500,000	XL Group PLC	6.500%	15-Mar-49	8,394,163	9,297,551	
	Total Corporate Bonds			<u>262,426,034</u>	<u>279,801,359</u>	<u>46.66</u>
	TOTAL BONDS			<u>262,426,034</u>	<u>279,801,359</u>	<u>46.66</u>
STOCKS						
ENERGY						
225,000	Alange Energy Corp.			-	14,625	
150,000	Ambit Energy Corp., Subscription Agreement*			77,476	289,531	
2,822,907	Athabasca Oil Sands Corp.			41,770,490	42,767,041	
20,000	ATP Oil & Gas Corp.			998,641	1,775,764	
5,956,899	Bolivar Energy Corp.			677,784	387,198	
530,000	Bonanza Resources Corp., Warrants (15Dec12)			29	12,505	
356,513	Bonavista Energy Corp., Exchangeable Shares			2,367,706	10,359,115	
800,000	Broadview Energy Ltd., Subscription Agreement			600,000	600,000	
1,060,000	BRS Resources Ltd			266,804	222,600	
2,666,800	Calston Exploration Inc., Restricted Shares			1,000,050	1,000,050	
1,333,400	Calston Exploration Inc., Subscription Receipts			-	500,025	
1,333,400	Calston Exploration Inc., Warrants(17Jun13)			-	1	
50,000	Canadian International Oil Corp.			76,828	160,000	
6,835,000	Canadian International Oil Corp., Warrants (17Aug15)			1,831,220	9,569,000	

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
2,000,000	Canadian Overseas Petroleum Ltd.	-	121,846	
1,777,300	Cinch Energy Corp.	3,148,464	3,590,146	
1,363,000	East West Petroleum Corp.	1,499,300	831,430	
681,500	East West Resources Corp., Warrants (22Dec12)	-	74,965	
1,041,666	Excelsior Energy Ltd., Warrants (01Sep15)	1,886	280,837	
1,000,000	Excelsior Energy Ltd., Warrants (11Sep11)	-	195,844	
150,000	EXCO Resources Inc.	2,869,232	2,552,212	
50,001	Gear Energy Ltd., Subscription Receipts	249,325	160,003	
592,000	Geomark Exploration Ltd.	591,519	615,680	
1,083,500	Hawk Exploration Ltd., Class A	1,132,076	801,790	
571,430	La Cortez Energy Inc.	993,841	253,685	
285,715	La Cortez Energy Inc., Warrants (20Apr13)	-	17,492	
1,670,500	LNG Energy Ltd.	1,033,325	668,200	
1,250,000	Longford Energy Inc., Warrants (02Jul11)	-	1	
2,000,000	Madison Petrogas Ltd., Subscription Agreement	1,000,000	1,000,000	
1,000,000	Madison Petrogas Ltd., Warrants (05Oct12)	-	1	
864,000	Marathon Oil Corp.	42,675,648	43,877,085	
5,269,151	P1 Energy Corp., Subscription Receipts	7,438,552	15,807,453	
276,000	Pan Orient Energy Corp.	1,667,893	1,440,720	
200,000	Parallel Energy Trust	2,000,000	1,990,000	
2,001,000	Paramax Resources Ltd.	951,701	140,070	
1,800,000	Paramax Resources, Warrants (06May12)	-	63	
1,893,911	Parex Resources Inc.	6,223,772	14,924,019	
14,300,000	Petroamerica Oil Corp., Warrants (04Nov14)	-	272,973	
1,250,000	Petromanas Energy Inc., Warrants (26May12)	1,848	31,250	
4,048,400	Porto Energy Corp.	3,402,543	3,157,752	
1,667,000	Porto Energy Corp., Warrants (26Nov12)	-	427,495	
500,000	Prophecy Resource Corp., Warrants (17Mar12)	821	32,613	
3,200,000	Quetzal Energy Ltd., Warrants (20Apr12)	-	23,811	
719,700	Range Energy Resources Inc.	143,217	50,379	
5,000,000	Range Metals Inc., Warrants (21Oct11)	-	1,275	
2,000,000	Realm Energy International Corp., Warrants (08Dec12)	-	672,230	
3,560,000	Reliable Energy Ltd.	1,079,793	1,281,600	
283,000	Rodinia Oil Corp., Warrants (19Mar12)	3,816	108,058	
2,600,000	Royal Coal Corp.	650,000	481,000	
112,909	Silverbirch Energy Corp.	699,516	818,590	
596,423	Sonde Resources Corp.	2,219,881	1,848,911	
33,000	Sonde Resources Corp., Class B, PFD	3,479,961	3,163,667	
1,200,000	Southern Andes Energy Inc.	481,054	252,000	
2,000,000	Southern Andes Energy Inc., Warrants (15Dec12)	-	90,624	
2,478,700	Strategic Oil & Gas Ltd.	2,548,857	2,305,191	
75,000	Stream Oil & Gas Ltd., Warrants (24Nov12)	-	9,278	
1,050,000	Torquay Oil Corp., Class A	1,858,121	1,659,000	
484,517	Touchstone Exploration Inc	-	-	
1,169,034	Touchstone Exploration Inc.	636,793	701,420	
2,500,000	Twin Butte Energy Ltd.	7,585,350	6,050,000	
2,991,667	Uracan Resources Ltd.	688,083	224,375	
3,333,332	Uracan Resources Ltd., Warrants (24Dec12)	-	23,493	
700,000	US Oil Sands Inc.	-	38,500	
1,618,816	Veresen Inc.	14,664,050	22,469,166	
3,000	Whiting Petroleum Corp., PFD	549,612	775,595	
1,885,500	Xinergy Ltd., Warrants (21Dec11)	2,014,372	1,150,155	
	TOTAL ENERGY	165,851,250	205,121,398	34.20
	MATERIALS			
1,748,512	AngloGold Ashanti Ltd., PFD	95,717,573	83,733,367	
498,900	Breakwater Resources Ltd.	3,700,847	3,696,849	
2,291,441	Calibre Mining Corp.	342,902	274,973	
3,000,000	Calibre Mining Corp., Warrants (16Jul11)	-	3	
1,263,700	Canexus Income Fund	8,309,159	8,441,516	
3,175,000	Castle Resources Inc.	1,270,634	2,000,250	
1,337,500	Castle Resources Inc., Warrants (07Oct12)	-	254,335	
600,000	Catalyst Copper Corp., Warrants (16Apr15)	-	34,967	
830,000	CB Gold Inc., Warrants (21Oct15)	5,550	306,243	
150,000	Centurion Minerals Ltd., Warrants (01Dec12)	239	36,608	
810,900	Chemtrade Logistics Income Fund	10,053,677	11,676,960	
28,873	Chesapeake Gold Corp., Warrants (23Feb12)	158	130,218	
637,500	Crosshair Exploration & Mining Corp., Warrants (23Nov12)	-	26,718	
291,600	Diamond Frank Exploration Inc.	72,739	23,328	

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Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
350,000	Diamond Frank Exploration Inc., Warrants (05Apr12)	-	69	
3,846,000	Duran Ventures Inc.	499,980	846,120	
1,923,000	Duran Ventures Inc., Warrants (04Jan13)	-	203,161	
450,000	East Asia Minerals Corp.	2,758,705	1,372,500	
5,000,000	ESO Uranium Corp., Warrants (30Apr15)	284	250,785	
950,000	Estrella International Energy Services Ltd.	-	161,416	
142,500	Ethiopian Potash Corp.	58,943	116,850	
1,050,000	Ethiopian Potash Corp. Warrants (09Sep12)	-	320,250	
2,372,000	Excellon Resources Inc.	2,220,983	1,660,400	
250,000	Excelsior Mining Corp., Warrants (15Apr12)	-	10,000	
950,000	Flagship Industries Inc., Warrants (26Aug15)	-	61,750	
625,000	Galway Resources Ltd., Warrants (13Jan13)	-	81,038	
524,999	Galway Resources Ltd., Warrants (29Sep11)	2,066	107,057	
395,000	GMV Minerals Inc., Warrants (27Oct12)	-	64,128	
1,000,000	Golden Predator Royalty & Development Corp., Warrants (09Sep11)	-	175,592	
500,000	Goldstone Resources Inc.	418,150	440,000	
2,208,299	Gran Columbia Gold Corp.	789,497	44,166	
200,000	Great Western Minerals Group Ltd.	162,228	138,000	
240,000	Hecla Mining Co., Warrants (10Aug 14)	23,373	1,222,126	
1,429,745	Kinross Gold Corp.	6,520,094	3,431,388	
76,500	Lubrizol Corp.	10,045,263	9,915,409	
952,765	Mazorro Resources Inc.	283,925	333,468	
16,666	Mega Uranium Ltd., Warrants (06Jun12)	21	333	
1,636,100	NEMI Northern Energy & Mining Inc.	1,585,823	1,112,548	
7,253,598	New Gold Inc., Warrants (28Jun17)	11,281,799	21,035,434	
350,000	New Pacific Metals Corp., Warrants (22Jun11)	-	89,732	
343,750	Oceanic Iron Ore Corp.	-	27,500	
800,000	Oceanic Iron Ore Corp., Warrants (30Nov15)	-	60,000	
1,611,500	Orsu Metals Corp.	403,624	265,898	
3,650,000	Orsu Metals Corp., Warrants (16Apr12)	-	16,323	
451,228	Pan American Silver Corp., Warrants (07Dec14)	3,105,643	2,797,614	
2,000,000	Petaquilla Minerals Ltd.	2,000,000	1,260,000	
3,000,000	Petaquilla Minerals Ltd., Warrants (20Dec13)	-	145,584	
450,000	Prima Colombia Hardwood Inc.	90,538	76,500	
723,000	Primer Mining Corp.	3,419,263	2,291,910	
1,300,000	Royal Coal Corp. Warrants (23Feb13)	-	26,000	
94,715	RSTK Anchor Glass*	1,872,490	5,116,197	
1,123,000	Sandstorm Metals & Energy Ltd.	962,973	522,195	
1,430,000	Seafield Resources Ltd., Warrants (03Jun12)	5,531	210,031	
1,000,000	Seafield Resources Ltd., Warrants (22Dec12)	-	80,000	
918,800	Silver Quest Resources Ltd.	920,514	1,056,620	
206,250	Skana Exploration Ltd., Restricted Shares*	447,025	618,750	
250,000	Strategic Metals Ltd.	564,748	777,500	
5,542,200	Sunridge Gold Corp.	6,737,255	4,101,228	
	TOTAL MATERIALS	176,654,216	173,279,905	28.89
	INDUSTRIALS			
	Capital Goods			
88,000	Bucyrus International Inc.	7,901,541	7,784,589	
6,332,200	Eacom Timber Corp.	3,173,597	1,867,999	
312,700	Mira Resources Corp.	93,810	93,810	
	Total Capital Goods	11,168,948	9,746,398	1.63
	Commercial Services & Supplies			
400,000	DirectCash Payments Inc.	8,412,000	8,880,000	
750,000	Iron Mountain Inc.	23,367,175	24,660,767	
	Total Commercial Services & Supplies	31,779,175	33,540,767	5.59
	Transportation			
1,167,902	Seaspan Corp., PFD	29,785,341	30,714,686	
1,147,700	Student Transportation Inc.	7,827,683	7,069,832	
	Total Transportation	37,613,024	37,784,518	6.30
	TOTAL INDUSTRIALS	80,561,147	81,071,683	13.52

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
CONSUMER DISCRETIONARY				
Automobiles & Components				
65,252	Lyondellbasell Industries NV	2,380,664	2,426,420	
	Total Automobiles & Components	2,380,664	2,426,420	0.40
Consumer Services				
3,500	Las Vegas Sands Corp., PFD	1,126,419	2,576,791	
458,900	Whistler Blackcomb Holdings Inc.	5,583,738	5,314,062	
	Total Consumer Services	6,710,157	7,890,853	1.32
Consumer Durables & Apparel				
2,870,673	Eastman Kodak Co.	10,068,242	9,918,361	
8,544,000	MEGA Brands Inc., Warrants (30Mar15)	27,703	1,537,920	
	Total Consumer Durables & Apparel	10,095,945	11,456,281	1.91
Media				
385,500	Warner Music Group Corp.	3,085,191	3,050,784	
79,400	Yellow Media Inc., Preferred	1,867,912	1,792,058	
		4,953,103	4,842,842	0.81
Retailing				
400,000	Liberty Media Corp - Interactive, Class A	6,774,906	6,470,043	
	Total Retailing	6,774,906	6,470,043	1.08
	TOTAL CONSUMER DISCRETIONARY	30,914,775	33,086,439	5.52
CONSUMER STAPLES				
Food Beverage & Tobacco				
11,000	Bunge Ltd., PFD	1,043,253	1,064,797	
	Total Food Beverage & Tobacco	1,043,253	1,064,797	0.18
	TOTAL CONSUMER STAPLES	1,043,253	1,064,797	0.18
HEALTH CARE				
Health Care Equipment & Services				
750,000	Haemacure Corp., Series A, Warrants (05Jan12)	-	1	
750,000	Haemacure Corp., Series B, Warrants (16Jan12)	-	1	
200,000	Medical Facilities Corp.	2,480,000	2,352,000	
	Total Health Care Equipment & Services	2,480,000	2,352,002	0.39
Pharmaceuticals, Biotechnology & Life Sciences				
50,000	Indevus Pharmaceuticals Inc.	-	31,848	
175,000	MSI Methylation Sciences Inc., Class B*	175,000	150,500	
	Total Pharmaceuticals, Biotechnology & Life Sciences	175,000	182,348	0.03
	TOTAL HEALTH CARE	2,655,000	2,534,350	0.42
FINANCIALS				
Banks				
1,482,217	Federal Home Loan Mortgage Corp., Preferred	4,545,244	4,219,947	
1,813,290	Federal National Mortgage Association, Preferred	5,371,276	3,850,021	
1,614,000	Federal National Mortgage Association, Preferred	4,532,476	3,349,000	
78,976	Freddie Mac	237,776	205,794	
1,247,600	Marshall & Ilsley Corp.	8,959,388	9,584,327	
5,864	Wells Fargo & Co., PFD	4,386,447	5,998,919	
	Total Banks	28,032,607	27,208,008	4.54
Diversified Financials				
3,000,000	Anatolia Energy Inc.	1,200,000	1,200,000	
3,000,000	Anatolia Energy Inc. Warrants (15Mar14)	-	3	
1,350,000	Ansue Capital Corp.	607,500	607,500	
675,000	Ansue Capital Corp. Warrants (16May13)	-	1	
535,714	Bearing Resources Ltd.	225,000	300,000	
267,857	Bearing Resources Ltd., Warrants (08Jul12)	-	62,882	
200,000	Blue Cove Capital Corp.	200,000	390,000	
100,000	Blue Cove Capital Corp. Warrants (25Feb13)	-	85,029	
2,206,000	Bolivar Energy Corp.	-	26,688	

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
800,000	Bukit Energy Inc.	800,000	800,000	
800,000	Bukit Energy Inc. Warrants (09Jun14)	-	1	
1,600,000	Carmen Energy Inc.	400,000	576,000	
800,000	Carmen Energy Inc. Warrants (27Dec12)	-	205,916	
1,875,000	ColCan Energy Corp.	750,000	750,000	
62,500	ColCan Energy Corp. Warrants (01Aug13)	-	-	
175,000	CuOro Resources Corp.	350,000	341,250	
87,500	CuOro Resources Corp. (31May13)	-	31,874	
229,000	Cutpick Energy Inc.	1,854,900	2,061,000	
1,126,700	Dundee Capital Markets Inc.	1,372,140	1,295,705	
541,300	Excelsior Mining Corp.	324,780	267,944	
270,650	Excelsior Mining Corp. Warrants (18Feb13)	-	8,127	
855,403	Freddie Mac	2,575,389	2,270,265	
35,000	GLG Life Tech Corp.	-	65,193	
1,000,000	Great GulfCan Energy Inc.	500,000	500,000	
500,000	Great GulfCan Energy Inc. (30Nov13)	-	1	
491,000	Griffiths Energy International Inc.	2,716,523	3,559,750	
496,071	Guardian Capital Group Ltd., Class A	2,046,038	4,916,064	
231,000	Ivanhoe Nickel and Platinum (Ivanplats)	4,054,050	4,620,000	
833,000	Marsa Energy Inc.	2,499,000	2,499,000	
1,666,700	Mira Resources Corp.	-	187,525	
450,000	North American Tungsten Corp.	18,000	18,000	
1,600,000	Petroamerica Oil Corp.	-	72,000	
1,600,000	Petrotoro Inc.	800,000	800,000	
400,000	Petrotoro Inc.	200,000	200,000	
750,000	Sandstorm Metals & Energy Ltd., Warrants (23Dec12)	-	56,250	
664,400	Sanofi-Aventis Sa CVR Rts 31Dec20	1,279,117	1,545,325	
1,320,200	TMX Group Inc.	58,809,389	57,428,700	
450,000	Torc Oil & Gas Ltd.	1,800,000	1,800,000	
893,000	Touchstone Exploration Inc.	500,080	535,800	
1,000,000	Touchstone Exploration Inc. Warrants (14Jun14)	-	284,582	
1,650,000	Uranium North Resources Corp.	-	45,656	
4,900,000	US Oncology Inc.	-	47,290	
5,950,000	Valeura Energy Inc. Warrants (28Feb16)	-	577,436	
11,900,000	Valeura Energy Inc.	3,867,500	2,856,000	
850,000	Westward Explorations Ltd.	238,000	195,500	
850,000	Westward Explorations Ltd. Warrants (21Jan6)	-	114,964	
	Total Diversified Financials	89,987,406	94,205,221	15.71
	Insurance			
199,600	Greenlight Capital Re Ltd., Class A	5,620,381	5,062,431	
294,000	Hartford Financial Services Group Inc., PFD	7,866,575	7,252,393	
551,800	Intact Financial Corp.	28,113,415	30,155,870	
362,653	Partnerre Ltd., Preferred	8,875,936	8,805,927	
412,200	XL Group PLC, PFD	12,493,113	11,838,975	
	Total Insurance	62,969,420	63,115,596	10.52
	Real Estate			
2,950,845	Extencicare Real Estate Investment Trust	31,650,674	30,600,263	
	Total Real Estate	31,650,674	30,600,263	5.10
	TOTAL FINANCIALS	212,640,107	215,129,088	35.87
	INFORMATION TECHNOLOGY			
	Software & Services			
200,000	Infocast Corp., Restricted Shares*	15,963	19	
1,508,544	KAB Distribution Inc.	(7,410)	873	
25,614	Lucent Technologies Capital Trust I, PFD	19,916,907	24,225,718	
200,000	SAVVIS Inc.	7,658,936	7,630,096	
75,000	SRA International Inc., Class A	2,262,987	2,238,071	
	Total Software & Services	29,847,383	34,094,777	5.69
	Software & Services			
125,000	Varian Semiconductor Equipment Associates Inc.	7,426,557	7,413,189	1.25
	Total Software & Services			

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
Technology Hardware & Equipment				
80,000	Apple Inc.	25,724,025	25,896,387	
212,500	Hypercom Corp.	2,495,638	2,013,926	
	Total Technology Hardware & Equipment	28,219,663	27,910,313	4.65
	TOTAL INFORMATION TECHNOLOGY	65,493,603	69,418,279	11.59
TELECOMMUNICATIONS SERVICES				
7,500,000	Level 3 Communications Inc.	14,307,604	17,588,982	
	TOTAL TELECOMMUNICATIONS SERVICES	14,307,604	17,588,982	2.93
UTILITIES				
1,493,099	Capital Power Income LP	21,087,356	28,368,881	
148,970	Macquarie Power & Infrastructure Contingency Value Receipts	-	-	
10,000,000	Mirant Corp., Escrow Shares*	-	-	
	TOTAL UTILITIES	21,087,356	28,368,881	4.73
	TOTAL STOCKS	771,208,311	826,663,802	137.85
FORWARD CONTRACTS				
	Buy CAD 24,484,775, Sell USD 25,000,000 @ 0.97939 - July 11, 2011	-	350,172	
	Buy CAD 24,488,025, Sell USD 25,000,000 @ 0.97952 - July 11, 2011	-	353,421	
	Buy CAD 24,444,200, Sell USD 25,000,000 @ 0.97777 - July 14, 2011	-	307,710	
	Buy CAD 24,446,700, Sell USD 25,000,000 @ 0.97787 - July 14, 2011	-	310,208	
	Buy CAD 24,473,775, Sell USD 25,000,000 @ 0.97895 - August 15, 2011	-	316,545	
	Buy CAD 24,209,300, Sell USD 25,000,000 @ 0.96837 - July 06, 2011	-	78,017	
	Buy CAD 24,217,350, Sell USD 25,000,000 @ 0.96869 - July 07, 2011	-	85,435	
	Buy CAD 24,219,850, Sell USD 25,000,000 @ 0.96879 - July 07, 2011	-	87,933	
	Buy CAD 24,225,325, Sell USD 25,000,000 @ 0.96901 - July 08, 2011	-	92,777	
	Buy CAD 24,227,825, Sell USD 25,000,000 @ 0.96911 - July 08, 2011	-	95,276	
	Buy CAD 27,233,220, Sell USD 28,000,000 @ 0.97262 - July 13, 2011	-	201,172	
	Buy CAD 24,319,425, Sell USD 25,000,000 @ 0.97278 - July 13, 2011	-	183,665	
	Buy CAD 24,519,300, Sell USD 25,000,000 @ 0.98077 - August 24, 2011	-	356,052	
	Buy CAD 24,506,450, Sell USD 25,000,000 @ 0.98026 - July 25, 2011	-	362,867	
	Buy CAD 24,538,400, Sell USD 25,000,000 @ 0.98154 - July 27, 2011	-	393,494	
	Buy CAD 24,486,900, Sell USD 25,000,000 @ 0.97948 - July 29, 2011	-	340,785	
	TOTAL FORWARD CONTRACTS	-	3,915,529	0.65
OPTIONS				
Call Options				
130	BP PLC Spons ADR, Jan/45	87,469	34,502	
1,000.00	Brasil Foods SA-ADR, Sep/15	510,674	246,101	
1,000.00	Brasil Foods SA-ADR, Sep/17.5	343,263	106,161	
6,000.00	Cephalon Inc., Nov/75	3,460,878	3,416,453	
2,500.00	Citigroup Inc., Jan/4	294,248	110,987	
1,000.00	Ipath S&P 500 Vix M/t Fut ETN, Sep/52	398,818	9,651	
1,000.00	Ipath S&P 500 Vix M/t Fut ETN, Sep/53	350,270	96,510	
1,000.00	Ipath S&P 500 Vix M/t Fut ETN, Sep/54	321,142	144,765	
35,000.00	Ishares Silver Trust, Jan/30	31,302,260	19,591,529	
7,000.00	Ishares Silver Trust, Jan/38	2,976,793	1,445,720	
3,000.00	Ishares Silver Trust, Jan/45	835,913	240,310	
2,000.00	Kinross Gold Corp., Jan/20	556,531	291,460	
1,254.00	Lubrizol Corp., Sep/130	642,046	568,811	
12,000	MGM Resorts Intl., Jan/12	2,326,048	2,582,608	
5,000.00	National Semiconductor, Jan/22.5	1,111,514	1,133,993	
2,000.00	NYSE Euronext, Sep/40	328,909	11,581	
839.00	Proshares Ultra Silver, Jan/200	7,236,924	1,838,062	
700.00	Proshares Ultra Silver, Jan/210	3,163,541	1,344,384	
375.00	Proshares Ultra Silver, Jan/225	3,351,485	597,156	
300.00	Proshares Ultra Silver, Jan/235	2,082,178	434,295	
250.00	Sano Fi-Aventis SA-CVR, Jul/75	32,039	33,779	
2,000.00	Silvercorp Metals Inc., Jan/10	1,031,119	250,926	
1,000.00	Silvercorp Metals Inc., Jan/10	666,193	221,973	
1,100.00	Silvercorp Metals Inc., Sep/10	486,726	69,005	
1,700.00	Silvercorp Metals Inc., Sep/11	645,225	57,423	
1,500.00	Silvercorp Metals Inc., Sep/12	524,203	28,953	
480.00	Sprint Nextel Corp., Jan/4	56,637	69,024	
63,500.00	Sprint Nextel Corp., Jan/5	5,728,031	5,025,276	
	Total Call Options	70,851,077	40,001,398	6.67

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
Put Options				
600.00	Lyondellbasell Indu., Sept/37.5	166,119	147,660	
500.00	Tanzanian Royalty Exploration, Aug/6	28,137	12,064	
Total Put Options		194,256	159,724	0.03
TOTAL OPTIONS		71,045,333	40,161,122	6.70
TOTAL LONG		1,104,679,678	1,150,541,812	191.86
TOTAL SHORT (Schedule 1)		(561,289,916)	(550,853,607)	(91.86)
TOTAL INVESTMENTS		543,389,762	599,688,205	100.00
Transaction Costs (Note 2)		(1,652,404)		
TOTAL INVESTMENTS		541,737,358	599,688,205	100.00

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Schedule 1

Number of Shares/ Par Value	Description	Coupon Rate %	Maturity Date	Proceed \$	Fair Value \$	% of Total
SHORT						
BONDS						
Corporate Bonds						
(8,000,000)	Clearwire Communications LLC	12.000%	1-Dec-17	(8,258,302)	(8,126,158)	
(5,000,000)	OPTI Canada Inc.	8.250%	15-Dec-14	(2,544,618)	(2,050,842)	
(5,000,000)	OPTI Canada Inc.	7.875%	15-Dec-14	(2,363,238)	(2,026,714)	
(5,000,000)	Opti Canada Inc.	9.750%	15-Aug-13	(4,793,164)	(4,837,573)	
(3,600,000)	OPTI Canada Inc.	9.000%	15-Dec-12	(3,496,013)	(3,526,482)	
(6,000,000)	United States Treasury Notes	1.250%	15-Apr-14	(6,019,956)	(5,873,880)	
(2,000,000)	Xinergy Corp.	9.250%	15-May-19	(1,948,093)	(1,968,808)	
(8,500,000)	Yellow Media Inc.	7.750%	2-Mar-20	(7,244,625)	(7,193,382)	
Total Corporate Bonds				(36,668,009)	(35,603,839)	(5.94)
TOTAL BONDS				(36,668,009)	(35,603,839)	(5.94)
STOCKS						
ENERGY						
(207,500)	BNK Petroleum Inc.			(906,382)	(969,025)	
(367,300)	Bonavista Energy Corp.			(10,285,594)	(10,493,761)	
(200,000)	Brigham Exploration Co.			(5,674,687)	(5,777,100)	
(100,000)	Flint Energy Services Ltd.			(1,305,840)	(1,394,000)	
(50,000)	Marathon Petroleum Corp.			(1,906,159)	(1,989,075)	
(33,000)	MEG Energy Corp.			(1,575,064)	(1,660,560)	
(200,000)	Northern Oil and Gas Inc.			(3,497,502)	(4,271,541)	
(449,400)	PetroBakken Energy Ltd., Class A			(6,359,212)	(5,950,056)	
(300,000)	Rodinia Oil Corp.			(415,200)	(363,000)	
(900,000)	Scotoil Petroleum Ltd.			(137,304)	(90)	
(113,700)	Tourmaline Oil Corp.			(3,233,472)	(3,642,948)	
(497,850)	Valero Energy Corp.			(12,143,358)	(12,295,381)	
TOTAL ENERGY				(47,439,774)	(48,806,537)	(8.14)
MATERIALS						
(200,000)	AngloGold Ashanti Ltd., ADR			(8,199,047)	(8,122,298)	
(800,000)	First Majestic Silver Corp.			(13,282,850)	(14,272,000)	
(400,000)	Galway Resources Ltd.			(363,280)	(376,000)	
(700,000)	Ivanhoe Mines Ltd.			(15,958,460)	(17,101,000)	
(100,000)	Market Vectors Junior Gold Miners ETF			(3,206,570)	(3,324,776)	
(1,327,396)	New Gold Inc.			(12,096,972)	(13,207,590)	
(72,000)	Premier Gold Mines Ltd.			(383,600)	(408,960)	
(100,000)	Silver Standard Resources Inc.			(2,482,810)	(2,577,000)	
(176,000)	Tanzanian Royalty Exploration Corp.			(1,067,737)	(1,117,600)	
TOTAL MATERIALS				(57,041,326)	(60,507,224)	(10.09)
INDUSTRIALS						
Transportation						
(219,279)	Seaspan Corp.			(3,281,243)	(3,096,097)	
Total Transportation				(3,281,243)	(3,096,097)	(0.52)
TOTAL INDUSTRIALS				(3,281,243)	(3,096,097)	(0.52)

(See accompanying notes to the financial statements)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Schedule 1

Number of Shares/ Par Value	Description	Proceed \$	Fair Value \$	% of Total
CONSUMER DISCRETIONARY				
Retailing				
(1,225,519)	Barnes & Noble Inc.	(21,138,982)	(19,621,835)	
(300,000)	Indigo Books & Music Inc.	(4,318,034)	(3,852,000)	
(626,700)	The Bon-Ton Stores Inc.	(6,797,054)	(5,891,038)	
(200,000)	The Forzani Group Ltd., Class A	(5,255,500)	(5,268,000)	
	Total Retailing	(37,509,570)	(34,632,873)	(5.78)
Media				
(963,492)	Central European Media Enterprises Ltd., Class A	(21,775,334)	(18,383,490)	
(536,600)	Media General Inc., Class A	(2,876,294)	(1,967,920)	
(1,306,300)	Yellow Media Inc.	(6,439,663)	(3,161,246)	
(50,000)	Yellow Media Inc., Preferred	(832,965)	(757,500)	
(50,000)	Yellow Media Inc., Preferred	(924,630)	(774,000)	
	Total Media	(32,848,886)	(25,044,156)	(4.18)
	TOTAL CONSUMER DISCRETIONARY	(70,358,456)	(59,677,029)	(9.96)
CONSUMER STAPLES				
Food Beverage & Tobacco				
(500,000)	The Pantry Inc.	(7,125,530)	(9,071,958)	
	Total Food Beverage & Tobacco	(7,125,530)	(9,071,958)	(1.51)
	TOTAL CONSUMER STAPLES	(7,125,530)	(9,071,958)	(1.51)
HEALTH CARE				
Health Care Equipment & Services				
(82,152)	Loewen Group Inc.*	(4,721)	-	
(10,000)	Loewen Group Inc., PFD.*	(393)	-	
	Total Health Care Equipment & Services	(5,114)	-	-
	TOTAL HEALTH CARE	(5,114)	-	-
FINANCIALS				
Banks				
(206,740)	Bank of Montreal	(12,345,577)	(12,683,499)	
(400,000)	Barclays PLC, ADR	(6,262,998)	(6,346,510)	
(2,050,000)	Lloyds Banking Group PLC, ADR	(6,217,211)	(6,212,361)	
	Total Banks	(24,825,786)	(25,242,370)	(4.21)
Diversified Financials				
(92,733)	CurrencyShares British Pound Sterling Trust	(14,915,595)	(14,263,999)	
(130,400)	CurrencyShares Euro Trust	(17,872,963)	(18,185,222)	
(150,000)	CurrencyShares Japanese Yen Trust	(17,791,168)	(17,739,538)	
(9,300)	Direxion Daily Energy Bear 3X Shares	(175,544)	(130,862)	
(100,000)	Dollar Financial Corp.	(2,097,465)	(2,090,411)	
(551,900)	Intact Financial Corp.	(29,926,518)	(30,575,260)	
(405,000)	iPATH S&P 500 VIX Short-Term Futures ETN	(8,754,199)	(8,266,822)	
(25,000)	iShares Barclays 20+ Year Treasury Bond Fund	(2,332,078)	(2,270,644)	
(111,254)	iShares iBoxx \$ High Yield Corporate Bond Fund	(9,642,671)	(9,815,898)	
(250,000)	iShares S&P/TSX 60 Index Fund	(4,673,220)	(4,785,000)	
(1,450,000)	iShares S&P/TSX Capped Energy Fund	(29,354,643)	(28,666,500)	
(1,700,000)	iShares Silver Trust	(55,474,448)	(55,536,790)	
(100,000)	Market Vectors Coal ETF	(4,720,106)	(4,577,478)	
(1,200,000)	Pinetree Capital Ltd.	(2,472,300)	(2,736,000)	
(252,744)	SPDR Barclays Capital International Treasury Bond ETF	(14,607,827)	(15,059,850)	

(See accompanying notes to the financial statements)

Vertex Fund
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Schedule 1

Number of Shares/ Par Value	Description	Proceed \$	Fair Value \$	% of Total
(456,400)	SPDR Lehman Municipal Bond ETF	(9,977,999)	(9,989,917)	
(528,768)	SPDR S&P Oil & Gas Exploration & Production ETF	(29,294,616)	(30,001,419)	
(75,000)	SPDR S&P Retail ETF	(3,707,189)	(3,869,576)	
(50,000)	United States Oil Fund LP	(1,780,216)	(1,797,502)	
	Total Diversified Financials	(259,570,765)	(260,358,688)	(43.42)
	Insurance			
(75,000)	Hartford Financial Services Group Inc.	(1,958,642)	(1,908,006)	
(200,000)	XL Group PLC	(4,432,503)	(4,244,518)	
	Total Insurance	(6,391,145)	(6,152,524)	(1.03)
	Real Estate			
(987,307)	The St Joe Co.	(19,585,344)	(19,857,433)	
	Total Real Estate	(19,585,344)	(19,857,433)	(3.31)
	TOTAL FINANCIALS	(310,373,040)	(311,611,015)	(51.97)
	INFORMATION TECHNOLOGY			
	Software & Services			
(48,875)	VeriFone Systems Inc.	(2,620,325)	(2,092,904)	
	Total Software & Services	(2,620,325)	(2,092,904)	(0.32)
	Technology Hardware & Equipment			
(81,000)	L-1 Identity Solutions Inc.	(905,904)	(919,317)	
(1,877,600)	Nokia OYJ, ADR	(13,167,524)	(11,651,645)	
(2,500,000)	Nortel Networks Corp.	(4,487,801)	(120,558)	
	Total Technology Hardware & Equipment	(18,561,229)	(12,691,520)	(2.12)
	TOTAL INFORMATION TECHNOLOGY	(21,181,554)	(14,784,424)	(2.47)
	Utilities			
(407,200)	Atlantic Power Corp.	(6,156,356)	(5,977,696)	
(5,000)	Direxion Daily Financial Bear 3x Shares	(186,692)	(215,893)	
(10,000)	Direxion Daily Small Cap Bear 3X Shares	(453,088)	(334,601)	
	Total Utilities	(6,796,136)	(6,528,190)	(1.09)
	TOTAL STOCKS	(523,602,173)	(514,082,474)	(85.75)
	FORWARD CONTRACTS			
	Sell CAD 25,000,000, Buy USD 25,000,000 @ 0.97236 - July 06, 2011	-	(177,724)	
	TOTAL FORWARD CONTRACTS	-	(177,724)	(0.03)
	OPTIONS			
	Call Options			
(100.00)	Bunge Ltd., Jul/70	(4,355)	(6,756)	
(500.00)	Cephalon Inc., Aug/80	(32,992)	(26,540)	
(6,000.00)	Cephalon Inc., Nov/80	(776,021)	(839,637)	
(100.00)	Las Vegas Sands Corp., Jul/40	(9,964)	(25,479)	
(20.00)	Las Vegas Sands Corp., Jul/41	(1,343)	(3,609)	
(2,019.00)	Lubrizol Corp., Sep/135	(83,422)	(19,485)	
(5,000.00)	National Semiconductor, Jan/25	(19,247)	(24,128)	
(20.00)	Whiting Petroleum Corp., Jul/57.5	(2,249)	(2,413)	
(100.00)	Whiting Petroleum Corp., Jul/60	(4,847)	(4,343)	

(See accompanying notes to the financial statements)

Total Call Options

(934,440)

(952,390)

(0.16)

Vertex Fund

Statement of Investments

As at June 30, 2011 (Unaudited)

Schedule 1

Number of Shares/ Par Value	Description	Proceed \$	Fair Value \$	% of Total
	Put Options			
(155.00)	Cephalon Inc., Aug/80	(8,527)	(8,227)	
(750.00)	Cephalon Inc., Jul/80	(47,501)	(21,715)	
(500.00)	Temple Inland, Jul/27	(29,266)	(7,238)	
	Total Put Options	(85,294)	(37,180)	(0.01)
	TOTAL OPTIONS	(1,019,734)	(989,570)	(0.17)
	TOTAL SHORT	(561,289,916)	(550,853,607)	(91.89)

(See accompanying notes to the financial statements)

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

1. Establishment of trust

Vertex Fund (the "Fund") was created on December 3, 2001 under the laws of British Columbia. Vertex One Asset Management Inc. is the Investment Manager, Computershare Trust Company of Canada is the Trustee of the Fund, and TD Securities is the custodian of the Fund. The Fund commenced operations on January 1, 2002, and Class BB and Class FF commenced operations on May 5, 2009. These financial statements have been prepared for the period ended June 30, 2011.

The investment objective of the Fund is to maximize returns on an absolute basis. The Fund searches for investment opportunities on a global basis and unlike many hedge funds, the Fund does not use futures and leveraging is restricted to 15% of total portfolio assets.

2. Significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual amounts could differ from those estimates.

Fair Value Disclosure

In accordance with amendments to CICA Section 3862, Financial Instruments – Disclosures the Fund is required to disclose the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Fund's financial instruments are recorded at fair value or at amounts that approximates fair value in the financial statements.

Amendments to CICA 3862, Financial Instruments – Disclosures, establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

Valuation of investments and securities sold short

The valuation methods adopted pursuant to Section 3855, which are discussed below, differ from methods used by the Fund in striking its net asset value (NAV) used in the processing of unitholder transactions during the period. The NAV continues to be computed using the Fund's previous valuation

Vertex Fund
Notes to Financial Statements
June 30, 2011 (unaudited)

policies for actively traded securities, which are that listed securities are valued at the last reported sales price on the principal exchange on which the security trades (transactional NAV).

As at June 30, 2011 and December 31, 2010, the Fund's net asset value per unit was:

As at December 31	Net Assets Per Unit		Net Asset Value Per Unit	
	2011	2010	2011	2010
Class A	\$ 71.52	\$ 71.32	\$ 71.66	\$ 71.16
Class B	10.41	10.43	10.43	10.41
Class F	68.23	68.04	68.36	67.88

The difference between the net asset value per unit and the net assets per unit reported in the Statement of Net Assets results from the use of different valuation methodologies discussed above.

For financial statement purposes, the fair value of the Fund's investments is determined as follows:

Investments are categorized as held for trading in accordance with Section 3855. Investments are recorded at fair value, established by the bid price for a long security and ask price for short security on the recognized exchange on which it is principally traded (GAAP Net Assets). The value of any security which is not listed or traded on an exchange, but which is listed or traded on another market, including an over-the-counter market, (being a marketplace other than an exchange where securities are normally purchased and sold and quotations are in common use in respect thereof), shall be determined in the same manner as a listed security by reference to prices on that market.

Warrants if listed on a recognized exchange are valued at the latest available bid price. If the warrants are not listed, but a secondary market exists then the average price of two independent brokers (if available), who trade in such market will be used. If no secondary market exists, the warrants will be valued using industry accepted techniques in accordance with Section 3855 methodologies.

The value of any security or property for which, in the opinion of the Investment Manager the published market quotations are not readily available shall be the fair value as determined by the Investment Manager based on valuation techniques. The fair value of certain securities are determined by using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. These methods and procedures may include, but are not limited to, performing comparison with prices of comparable or similar securities, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indication of value. These values are independently assessed internally to ensure that they are reasonable. However, because of the inherent uncertainty of valuation, the estimated fair values for the aforementioned securities and interests may be materially different from the values that would have used had a ready market for the investment existed.

Investment purchase and sale transactions are recorded on trade date and realized and unrealized gains and losses on investments are determined using average cost.

Under the terms of the prime brokerage service level agreement with the custodian, Toronto Dominion Securities Inc. (TDSI), the margin for the investments sold short can be represented by a combination of cash, government debt securities and high quality common shares. TDSI follows the Investment

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

Industry Regulatory Organization of Canada's (IIROC) methodology to calculate margin; however, TDSI reviews and can reduce the loan value of a particular security. As at June 30, 2011, margin on investments sold short was represented by common shares included in the investments held at market value.

Other assets and liabilities

For the purposes of categorization in accordance with Section 3862, accrued interest and dividends receivable, amounts due from brokers, subscriptions receivable and other assets are designated as loans and other receivables and recorded at cost or amortized cost. Similarly, amount due to brokers, accounts payable and accrued liabilities, redemptions payable dividends and interest payable on securities sold short, securities borrowing fees payable and distribution payable are designated as other financial liabilities and reported at cost or amortized cost.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. In accordance with Section 3855, transaction costs are expensed and are included in "Transaction costs" in the Statements of Operations. The embedded transaction costs in the cost of investment portfolio as at June 30, 2011 are disclosed in the Statement of Investments.

Recognition of income and expenses

The accrual method of recording income and expenses is followed by the Fund with dividends being recorded on the ex-dividend date. Realized gains and losses on investments and unrealized appreciation (depreciation) in the value of investments are calculated using the average cost of the related investments. Income, realized gain (loss) and unrealized gain (loss) are allocated among the classes on a pro-rata basis. Distributions received from income trusts are recorded as income, capital gains or return of capital based on the best information available to the Fund. Distributions that are treated as return of capital for income tax purposes reduce the average cost of the underlying income trust.

Purchase and redemption of units

The value at which units are issued or redeemed is determined by dividing the net assets at fair value of the Fund applicable to that class by the total number of units of that class outstanding on the valuation date, which is the last business day of each month or any other business day specified by the Investment Manager from time to time. For purposes of purchase and redemption of units, the net asset value as described above is used, which differs from the net assets per unit in the Statements of Net Assets. Amounts received on the issuance of units and amounts paid on the redemption of units are added to or deducted from unitholders' equity.

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

Forward contracts

The Fund enters into forward contracts to manage risk or to achieve desired returns. Gain or losses are realized based on the settlement term of the forward contracts and are included in the Statements of Operations. Fair values for forward contracts are based on the gain or loss that would arise as a result of closing the position at the valuation date; these values generally reflect the estimated amount that would be received or paid to terminate the contract at the period-end date. Included in cash and cash equivalents is an amount held with broker for collateral in respect of forward contracts, June 30, 2011 - \$37,537,681 (December 31, 2010 - \$28,429,042).

Options

Options may be used by the Fund, but only to the extent considered appropriate by the Manager. Option premiums paid or received by the Fund are, so long as the options are outstanding, reflected in the Statement of Investments. Exchange traded options are valued at current fair value and over the counter options are valued using industry-accepted modeling techniques on each valuation day, based on the value that would be realized if the option was closed out in the valuation date.

Realized gains and losses relating to purchased options may arise from:

- i) Expiration of purchased options – realized losses will arise equal to the premium paid;
- ii) Exercise of the purchased options – realized gains will arise up to the intrinsic value of the option; or
- iii) Closing of the purchased options – realized gains or losses will arise equal to the proceeds from selling options to close the position net of any premium paid.

Realized gains and losses relating to written options may arise from:

- i) Expiration of the written options – realized gains will arise equal to the premium received;
- ii) Exercise of the written options – realized gains or losses will arise equal to the sum of the premium received and the realized gain or loss from the disposition of the related portfolio investment at the exercise price of the option; or
- iii) Closing of the written options – realized gains or losses will arise equal to the cost of purchasing options to close the position net of any premium received.

Realized gains and losses related to options are included in “realized gain (loss) on sale of investments” in the Statements of Operations.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the period end. Purchases and sales of investments and income and expenses are translated into Canadian dollars at the rate of exchange prevailing at the transaction date.

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

Increase (decrease) in net assets from operations for each Class

Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the net increase (decrease) in net assets from operations for the period, divided by the average weighted units outstanding during the period.

Securities sold short

The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must deliver the security sold short to the purchaser at a future date. A gain, limited to the proceeds received on the security sold short, or a loss, unlimited in size, will be realized when the securities to cover the short sale obligation are acquired by the Fund. Securities sold short are reported in the financial statements as a liability at the current fair value as described above under Valuation of investments and securities sold short. Dividends and interest on these securities sold short are payable to the purchaser and are recognized as an expense and include withholding taxes, if applicable.

Repurchase agreements, reverse repurchase agreements and loans

The Fund engages in repurchase agreements (“Repo”) which are, in effect, short-term lending arrangements that are usually collateralized by securities. A Repo transaction consists of the purchase of securities for immediate cash settlement along with an agreement by the counterparty in the transaction to repurchase the securities at a higher price at a later date. The difference in price represents an interest charge to the counterparty for the use of cash lent by the Fund during the course of the agreement. The counterparty to a Repo transaction may engage in a reverse repurchase agreement (“Reverse Repo”), that is, the sale of securities with an agreement to repurchase them at a later date.

Future accounting changes

In January 2011, the Accounting Standards Board (AcSB) of the CICA approved a further one year deferral of adoption of IFRS for investment companies, which include investment funds. Investment companies may continue to apply existing GAAP standards until fiscal years beginning on or after January 1, 2013.

3. Fair Value Disclosure

The Fund’s assets recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the amendment to CICA 3862. See Note 2 for a discussion of the Fund’s policies regarding this hierarchy. The following fair value hierarchy table presents information about the Fund’s assets measured at fair value on a recurring basis as of June 30, 2011.

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

Financial Assets at fair value as at June 30, 2011

	Level 1	Level 2	Level 3	Total
Equities - Long	\$ 711,514,031	\$ 11,460,088	\$ 60,279,403	\$ 783,253,522
Bonds - Long		270,349,770	9,451,589	279,801,359
Warrants	27,958,990	669,004	14,782,286	43,410,280
Options	40,161,122	-	-	40,161,122
Forward contracts	-	3,915,529	-	3,915,529
	<u>\$ 779,634,143</u>	<u>\$ 286,394,391</u>	<u>\$ 84,513,278</u>	<u>\$ 1,150,541,812</u>

Financial Liabilities at fair value as at June 30, 2011

	Level 1	Level 2	Level 3	Total
Equities - Short	\$ (513,961,826)	\$ (120,648)	\$ -	\$ (514,082,474)
Bonds - Short	-	(35,603,839)	-	(35,603,839)
Forward contracts		(177,724)		(177,724)
Option contracts	-	(989,570)	-	(989,570)
	<u>\$ (513,961,826)</u>	<u>\$ (36,891,781)</u>	<u>\$ -</u>	<u>\$ (550,853,607)</u>

The following fair value hierarchy table presents information about the Fund's assets measured at fair value on a recurring basis as of December 31, 2010.

Financial Assets at fair value as at December 31, 2010

	Level 1	Level 2	Level 3	Total
Equities - Long	\$ 639,437,316	\$ 24,102,771	\$ 50,753,570	\$ 714,293,657
Bonds - Long	-	281,815,489	33,418,092	315,233,581
Warrants	22,674,508	16,701,223	6,039,010	45,414,741
Options	57,397,332	-	-	57,397,332
Forward contracts	-	8,168,595	-	8,168,595
	<u>\$ 719,509,156</u>	<u>\$ 330,788,078</u>	<u>\$ 90,210,672</u>	<u>\$ 1,140,507,906</u>

Financial Liabilities at fair value as at December 31, 2010

	Level 1	Level 2	Level 3	Total
Equities - Short	\$ (270,180,513)	\$ (92,908)	\$ -	\$ (270,273,421)
Bonds - Short	-	(2,151,253)	-	(2,151,253)
Option contracts	(212,438)	-	-	(212,438)
	<u>\$ (270,392,951)</u>	<u>\$ (2,244,161)</u>	<u>\$ -</u>	<u>\$ (272,637,112)</u>

The following were the transfers between Levels 1 and 2 from December 31, 2010 to June 30, 2011:

	Transfer from level 1 to level 2 2011	Transfer from level 2 to level 1 2011
Equities - Long	\$ 253,685	\$ 140,000

Vertex Fund
Notes to Financial Statements
June 30, 2011 (unaudited)

The following were the transfers between Levels 1 and 2 from December 31, 2009 to December 31, 2010:

	Transfer from level 1 to level 2		Transfer from level 2 to level 1	
	2010		2010	
Equities - Long	\$	34,408	\$	26,775,707

The following is a reconciliation of Level 3 fair value measurements from December 31, 2010 to June 30, 2011:

	Fair value measurements using level 3 inputs					
	Warrants		Equities - Long		Bonds - Long	
Balance at December 31, 2010	\$	6,039,010	\$	50,753,570	\$	33,418,092
Net purchases and sales		(1,017,206)		11,316,859		(5,868,035)
Net transfers in (out)		3,533,451		4,378,167		(19,382,188)
Gains (Losses)						
Realized		621,968		5,479,597		650,800
Unrealized		5,605,063		(11,648,790)		632,920
Balance at June 30, 2011	\$	14,782,286	\$	60,279,403	\$	9,451,589
Total change in unrealized gain (loss) during the period for assets held at June 30, 2011	\$	-	\$	(6,532,489)	\$	3,529,993

The following is a reconciliation of Level 3 fair value measurements from December 31, 2009 to December 31, 2010:

	Fair value measurements using level 3 inputs					
	Warrants		Equities - Long		Bonds - Long	
Balance at December 31, 2009	\$	12,857,187	\$	115,477,397	\$	41,590,942
Net purchases and sales		(346,633)		172,589		(12,936,039)
Net transfers in (out)		(7,687,522)		(14,858,058)		1,951,628
Gains (Losses)						
Realized		1,427,284		3,610,353		4,273,281
Unrealized		(211,306)		(53,648,711)		(1,461,720)
Balance at December 31, 2010	\$	6,039,010	\$	50,753,570	\$	33,418,092
Total change in unrealized gain (loss) during the period for assets held at December 31, 2010	\$	5,018,817	\$	15,599,470	\$	(80,041)

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

	Fair value measurements using level 3 inputs	
	Equities - Short	Bonds - Short
Balance at December 31, 2009	\$ (57,506)	\$ (818,980)
Net purchases and sales	-	749,708
Net transfers in (out)	58,500	-
Gains (Losses)		
Realized	-	(221,021)
Unrealized	(994)	290,293
Balance at December 31, 2010	\$ -	\$ -
Total change in unrealized gain (loss) during the period for assets held at December 31, 2010	\$ -	\$ -

Level 3 sensitivity analysis

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments of \$84,513,278 as of June 30, 2011(December 31, 2010 - \$ 90,210,672). The unobservable inputs used in the valuation of these financials instruments primarily include key variables, current market conditions and recent financing by the company, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuate similarly.

If relevant market-related inputs increased or decreased by 5% with all other variables remaining constant, net assets would have possibly increased or decreased by approximately \$4,225,664 (December 31, 2010 - \$4,510,533).

4. Unitholders' equity

Unitholders' equity includes amounts representing net fund unit subscriptions, undistributed net income, undistributed realized gains (losses) on the sale of investments and unrealized appreciation (depreciation) in the value of investments. The Fund generally has no restrictions or specific capital requirements on the subscription and redemptions of units. In accordance with the objectives and the risk management policies outlined in the Financial Risk Management notes (Note 11), the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being managed by investing the majority of assets in investments that can be readily disposed. The following table summarizes the changes in the number of units for the period:

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

	2011				
	Class A	Class B	Class BB	Class F	Class FF
Units - Beginning of period	4,622,247	22,659,810	-	6,930,643	-
Units issued	152,893	2,381,838	-	648,686	-
Units reinvested	1,242	2,037	-	(202)	-
Units redeemed	(114,916)	(1,351,551)	-	(243,354)	-
Units - End of period	4,661,466	23,692,134	-	7,335,773	-

	2010				
	Class A	Class B	Class BB	Class F	Class FF
Units - Beginning of period	4,846,415	19,829,644	793,620	5,423,440	3,206,530
Units issued	91,418	2,626,706	-	1,438,584	(8,356)
Units reinvested	-	-	-	-	-
Units redeemed	(347,302)	(1,022,389)	(793,620)	(256,764)	(3,198,174)
Units - End of period	4,590,531	21,433,961	-	6,605,260	-

5. Related party transactions

During the period from December 9 to December 21, 2010, Vertex Offshore Fund Ltd (“Vertex Offshore”) and Vertex Fund, both managed by Vertex One Asset Management Inc., engaged in transactions whereby Vertex Offshore sold certain investment holdings to Vertex Fund. The transactions were performed at the fair market value of the securities in question as at their respective transaction dates, with a total consideration of \$9,058,999 being paid by Vertex Fund to Vertex Offshore.

6. Fees and expenses

a) Management fee

Pursuant to the terms of a management agreement, the Fund pays to the Investment Manager, monthly in arrears, a base management fee. The management fee may vary from class to class and for each of the existing classes of units is as follows:

Class A: 1% per annum of the Net Asset Value of class A units of the Fund on the last business day of the preceding month.

Class B: 2% per annum of the Net Asset Value of class B units of the Fund on the last business day of the preceding month.

Class BB: 1/12 of 2% (2% per annum) of the Net Asset Value of the Class BB Units of the Fund on the last business day of the preceding month.

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

Class F: 1% per annum of the Net Asset Value of class F units of the Fund on the last business day of the preceding month.

Class FF: 1/12 of 1% (1% per annum) of the Net Asset Value of the Class FF Units of the Fund on the last business day of the preceding month.

b) Performance fee

The Investment Manager is entitled to a performance fee equal to 20% of the amount by which the performance of the Fund exceeds the previous high-water mark for each Class of units. The performance fee is accrued monthly and is payable for each calendar quarter, provided that the high-water mark is exceeded, as referred to below. The performance fee will be payable by the Fund within 10 business days from the quarter-end. Upon the redemption of units of a particular class, the accrued portion of the performance fee allocated to the redeemed units for that class will be payable by the Fund within 10 business days of the end of the month in which the units were redeemed.

The highest quarter-end Net Asset Value per unit for each class of units from time to time establishes a high-water mark for each class of units which must be exceeded in subsequent quarters for the performance fee applicable to each class of units to be payable.

No change in the Investment Manager's performance fee payment policy will be made without at least 60 days notice to the unitholders.

Performance fees amounting to \$17,212,013 were incurred for the period ended June 30, 2011 (June 30, 2010 - \$23,029,277) of which \$nil (December 31, 2010 - \$22,549,037) were outstanding at period end.

c) Administration fees and expenses

The Fund is responsible for the payment of all fees and expenses relating to its operations, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Investment Manager), and legal fees and expenses, custody and safekeeping charges.

7. Distribution of net investment income and capital gains

Net taxable income and net taxable capital gains of the Fund are distributed to unitholders of record as of the close of business on the last valuation date in the period or at such other dates as determined by the Investment Manager from time to time, according to each unitholder's proportionate share of the Fund. All distributions are reinvested automatically in additional units of the Fund unless the unitholder has made other arrangements with the Investment Manager.

8. Income taxes

The Fund is a mutual fund trust as defined by the Income Tax Act. No provisions for income taxes are made in the financial statements as the net taxable income and net taxable capital gains are distributed to the unitholders and immediately reinvested in the Fund. As of December 31, 2010, there were \$3,047,160 (2009 - \$77,349,613) of capital losses and \$nil (2009 - \$677,525) of non capital losses to be

Vertex Fund

Notes to Financial Statements

June 30, 2011 (unaudited)

carried forward. The capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future periods.

9. Soft dollar commissions

Soft dollar commissions relate to amounts paid to brokers in exchange for research or other services provided to the investment manager. The Fund paid \$19,000 (2010 - \$462,419) in soft dollar commissions during the period.

10. Security Borrowing Agreement

As of June 30, 2011, the Fund borrowed amounting to \$ 855,020,380 from TD Securities (December 31, 2010 – 318,305,693). Securities are borrowed to cover the Fund's obligation in respect of securities sold short.

The Fund pays commissions and other fees to TDSI with respect to short sale transactions. Such commissions and other fees will be at TDSI's customary rates in the circumstances or as negotiated from time to time.

11. Financial Risk Management

The Fund's financial instruments consist of cash, investments, including derivative contracts, short-term receivables and payables. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The Investment Manager maintains a risk management practice that includes quarterly monitoring of the returns based risk profile of the Fund. The purpose of such practices is to minimize the potential adverse effect of each risk on the Fund's financial performance while being consistent with the Fund's investment objective. The most important risks include market risk (including interest rate risk, other price risk, and currency risk), credit risk and liquidity risk. These risks and related risk management practices employed by the Fund are discussed below:

a) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's other price risk is managed through diversification of the investment portfolio. The Investment Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges. As at June 30, 2011, the overall market exposures were as follows:

Vertex Fund
Notes to Financial Statements
June 30, 2011 (unaudited)

	At June 30, 2011		At December 31, 2010	
	Fair Value	% Net Assets	Fair Value	% Net Assets
Securities (Long) held for trading	\$ 1,106,465,161	102.41%	\$ 1,074,401,979	103.55%
Derivative assets				
Option contracts	40,161,122	3.72%	57,937,332	5.58%
Forward contracts	3,915,529	0.36%	8,168,595	0.79%
Total market exposure	\$ 1,150,541,812	106.49%	\$ 1,140,507,906	109.92%

	At June 30, 2011		At December 31, 2010	
	Fair Value	% Net Assets	Fair Value	% Net Assets
Securities (Short) held for trading	\$ (549,686,313)	(50.87%)	\$ (272,424,674)	(26.26%)
Derivative liabilities				
Forward contracts	(177,724)	(0.02%)	-	-
Option contracts	(989,570)	(0.09%)	(212,438)	(0.02%)
	\$ (550,853,607)	(50.98%)	\$ (272,637,112)	(12.30%)

Short selling risk is the risk of loss related to short selling transactions. The Fund will profit from a short sale transaction if the value of the borrowed security declines in value from the time the Fund sells the stock to the time the Fund closes out its short position. There is no certainty that the security price will decline, and unlike long positions, where the risk of loss is limited to the amount of the initial investment, short positions may be closed out at a price that would result in a significant loss for the Fund. The Fund's discretion may be limited in an open short sale transaction. For example, the lender may recall the security unexpectedly, or go bankrupt thereby jeopardizing the recoverability of collateral. As well, the Fund may encounter difficulty repurchasing the security should that security's liquidity become compromised in the marketplace. The Fund mitigates such risk by shorting only liquid securities, and by depositing the appropriate collateral against the short positions.

As of June 30, 2011, if the Fund's Investments had increased or decreased by 5%, with all other variables held constant, this would have approximately increased or decreased net assets to amount in a difference of \$15,629,066(December 31, 2010 - \$27,357,994). Actual results may differ from this sensitivity analysis and those results could be material.

b) Interest rate risk

As at June 30, 2011, 151.30% (December 31, 2010 – 56.94%) of the Funds' investment portfolio includes interest bearing corporate bonds, as well as cash and cash equivalents. As a result, the Fund is subject to interest rate risk due to fluctuations in the prevailing level of market interest rates which could impact the Fund's cash flows. Cash and cash equivalents, both excess amounts of \$625,605,560 (December 31, 2010 - \$152,625,956) and amounts held as collateral of \$37,537,681 (December 31, 2010 - \$28,429,042), are invested in short-term securities.

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The table below summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

	Less than 1 year	1 - 5 years	More than 5 years	Non Interest bearing	Total
As at June 30, 2011					
Assets					
Financial assets held for trading					
Equities	\$ -	\$ -	\$ -	\$ 826,663,802	\$ 826,663,802
Bonds	24,050,110	75,065,990	180,685,259	-	279,801,359
Forward contracts	3,915,529	-	-	-	3,915,529
Option contracts	40,161,122	-	-	-	40,161,122
Cash and cash equivalents	663,143,241	-	-	-	663,143,241
Accrued interest and dividends receivable	5,778,789	-	-	-	5,778,789
Miscellaneous receivable	335,368	-	-	-	335,368
Due from broker	25,444,228	-	-	-	25,444,228
Subscriptions receivable	11,818,770	-	-	-	11,818,770
Total Assets	\$ 774,647,157	\$ 75,065,990	\$ 180,685,259	\$ 826,663,802	\$ 1,857,062,208
Liabilities					
Financial liabilities at fair value					
Equities	\$ -	\$ -	\$ -	\$ 514,082,474	\$ 514,082,474
Bonds	-	18,315,492	17,288,347	-	35,603,839
Forward contracts	177,724	-	-	-	177,724
Option contracts	989,570	-	-	-	989,570
Dividends and interest payable on securities short	1,771,895	-	-	-	1,771,895
Securities borrowing fees payable	1,849,526	-	-	-	1,849,526
Accounts payable and accrued liabilities	100,332	-	-	-	100,332
Due to broker	212,459,821	-	-	-	212,459,821
Redemptions payable	9,560,861	-	-	-	9,560,861
Total Liabilities	226,909,729	18,315,492	17,288,347	514,082,474	776,596,042
Total Interest sensitivity gap	\$ 547,737,428	\$ 56,750,498	\$ 163,396,912	\$ 312,581,328	\$ 1,080,466,166

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	Less than 1 year	1 - 5 years	More than 5 years	Non Interest bearing	Total
As at December 31, 2010					
Assets					
Financial assets held for trading					
Equities	\$ -	\$ -	\$ -	\$ 759,708,398	\$ 759,708,398
Bonds	30,000	93,237,936	221,965,645	-	315,233,581
Forward contracts	8,168,595	-	-	-	8,168,595
Option contracts	57,397,332	-	-	-	57,397,332
Cash and cash equivalents	181,054,998	-	-	-	181,054,998
Accrued interest and dividends receivable	-	-	-	6,901,030	6,901,030
Miscellaneous receivable	-	-	-	116,846	116,846
Due from broker	-	-	-	3,777	3,777
Subscriptions receivable	-	-	-	14,249,993	14,249,993
Total Assets	\$ 246,650,925	\$ 93,237,936	\$ 221,965,645	\$ 780,980,044	\$ 1,342,834,550
Liabilities					
Financial liabilities at fair value					
Equities	\$ -	\$ -	\$ -	\$ 270,273,421	\$ 270,273,421
Bonds	-	-	2,151,253	-	2,151,253
Option contracts	212,438	-	-	-	212,438
Accrued performance fee	-	-	-	22,549,037	22,549,037
Dividends and interest payable on securities short	-	-	-	1,167,556	1,167,556
Distribution payable	-	-	-	136,615	136,615
Securities borrowing fees payable	-	-	-	905,347	905,347
Accounts payable and accrued liabilities	-	-	-	115,838	115,838
Due to broker	-	-	-	4,250,000	4,250,000
Redemptions payable	-	-	-	3,525,825	3,525,825
Total Liabilities	212,438	-	2,151,253	302,923,639	305,287,330
Total Interest sensitivity gap	\$ 246,438,487	\$ 93,237,936	\$ 219,814,392	\$ 478,056,405	\$ 1,037,547,220

At June 30, 2011, should interest rates have increased or decreased by 25 basis points with all other variables remaining constant, the decrease or increase in net assets for the period would amount to approximately \$1,752,069 (December 31, 2010 - \$2,887,874). Actual results may differ from this sensitivity analysis and those results could be material. The Fund's managers review the interest rate exposure on a regular basis.

c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than Canadian Dollars, the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Statement of Investments identifies all investments denominated in foreign currencies. The Fund holds assets and liabilities, including cash, short-term investments, equities, and options that are denominated in currencies other than the Canadian Dollar. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

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The Fund’s managers review the currency positions of the Fund on a regular basis and the Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

As at December 31, 2010, if the exchange rate between the Canadian Dollar and the foreign currencies the Fund is exposed to decrease or increase by 5%, with all other variables held constant, the increase or decrease respectively in net assets would approximately amount to values as disclosed in the table below:

Currency	June 30, 2011 Exposure	December 31, 2010	June 30, 2011 5% Decrease / Increase	December 31, 2010
British Pound	\$ -	\$ 20,864,046	\$ -	\$ 1,043,202
Australian Dollar	12,963,356	32,271,948	648,168	1,613,597
Euro Currency	10,823,289	28,597,637	541,164	1,429,882
Hong Kong Dollar	22,205,716	866,962	1,110,286	43,348
US Dollar	337,967,612	404,077,559	16,898,381	20,203,878

Actual results may differ from this sensitivity analysis and those results could be material.

d) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Fund’s exposure to liquidity risk is concentrated in the cash redemptions of units at the monthly valuation date. The Fund invests primarily in securities that are traded in active markets and can be readily disposed. The Fund may, from time to time, invest in derivative contracts traded over the counter or in unlisted securities, which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. Investments held as at June 30, 2011 that may be subject to liquidity risk have been identified on the Statement of Investments. In addition, the Fund retains sufficient cash and cash equivalents to maintain liquidity.

e) Credit risk

Credit risk is the risk that a loss could arise when a security issuer or counterparty to a financial instrument is unable to meet its financial obligations. The Fund’s main credit risk is from corporate bonds, preferred shares and derivative contracts. To maximize the credit quality of its investments, the Fund’s managers perform ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information.

The Fund invests in financial assets, which have an investment grade as rated primarily by Dominion Bond Rating Service and Standard & Poor’s. Ratings for securities that subject the Fund to credit risk at June 30, 2011 are noted below:

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Portfolio by rating category

Rating	June 30, 2011	December 31, 2010
A/A	9.10%	6.25%
BBB/Bbb	7.05%	4.51%
BB/Bb	3.69%	3.00%
B/B	8.91%	5.22%
CCC/Ccc	9.09%	5.38%
CC/Cc	0.23%	2.22%
Unclassified	8.59%	3.60%
Total	46.66%	30.18%

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold/lent is only made once the broker has received/made payment. Payment is made/received on securities purchased/borrowed once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at June 30, 2011 and December 31, 2010, the Fund's net assets were also exposed to credit risk arising from derivative contracts. The credit rating of the counterparties as at June 30, 2011 and December 31, 2010 was:

Portfolio by rating category

Rating	June 30, 2011	December 31, 2010
AA/A+/A	7.15%	6.30%
Total	7.15%	6.30%

12. Exemption from Regulatory Filing

In accordance with section 2.11 (c) of National Instrument 81-106 ("NI 81-106"), Vertex One Asset Management Inc., as investment manager to the Fund, has provided notice to the securities regulatory authority that it is relying on the exemption granted by section 2.11 of NI 81-106 whereby Vertex One Asset Management Inc. will not be filing the annual financial statements for the Fund with the regulator.

13. Comparative figures

Certain 2010 comparative figures have been reclassified to conform with the financial statements presentation adopted per the current period.