

Vertex Value Fund

Financial Statements
December 31, 2009

March 31, 2010

PricewaterhouseCoopers LLP
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Auditors' Report

To the Unitholders of Vertex Value Fund (the Fund)

We have audited the statements of net assets and investments of the Fund as at December 31, 2009 and the statements of operations and changes in net assets for the period September 21, 2009 (commencement of operations) to December 31, 2009. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and the changes in its net assets for the period September 21, 2009 (commencement of operations) to December 31, 2009 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Vertex Value Fund

Statement of Net Assets

As at December 31, 2009

Assets

Investments at fair value	\$	4,044,779
Cash and cash equivalents		254,380
Due from manager		23,511
Accrued interest and dividends receivable		3,195
Subscriptions receivable		87,333
		<u>4,413,198</u>

Liabilities

Accrued performance fees (note 5b)		33,056
Accounts payable and accrued liabilities		23,511
Due to broker		143,276
		<u>199,843</u>

Net assets representing unitholders' equity \$ 4,213,355

Net assets representing unitholders' equity per class

Class B	\$	2,223,046
Class F	\$	<u>1,990,309</u>

Net assets per unit (Note 2)

Class B	\$	10.41
Class F	\$	<u>10.42</u>

Approved by the Fund Manager

(signed) "Matthew A. Wood"

Matthew A. Wood

Director

(signed) "Jeffrey McCord"

Jeffrey McCord

Director

(See accompanying notes to the financial statements.)

Vertex Value Fund

Statement of Operations

For the period from September 21, 2009 (commencement of operations) to December 31, 2009

Investment income

Dividends (net of withholding tax: \$664)	\$	7,168
Interest and other income		200
		<u>7,368</u>

Expenses (Note 5)

Performance fees		33,056
Securityholder reporting costs		16,967
Other administrative expenses		3,196
Custody fees		3,348
Audit fees		10,500
IRC fees		9,040
		<u>76,107</u>

Net investment loss before absorbed expenses (68,739)

Expenses absorbed by manager (Note 5) 43,051

Net investment loss (25,688)

Realized and unrealized gain (loss) on investments and transaction costs

Realized gain on sale of investments		4,347
Transaction costs (Note 2)		(8,342)
Unrealized appreciation on investments		131,751
Unrealized depreciation on foreign currency		(25)
Net realized and unrealized gain on investments		<u>127,731</u>

Increase in net assets from operations \$ 102,043

Increase in net assets from operations per Class

Class B	\$	7,734
Class F	\$	<u>94,309</u>

Increase in net assets from operations per unit (Note 4)*

Class B	\$	0.11
Class F	\$	<u>0.70</u>

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

(See accompanying notes to the financial statements.)

Vertex Value Fund

Statement of Changes in Net Assets

For the period from September 21, 2009 (commencement of operations) to December 31, 2009

	<u>Class B</u>	<u>Class F</u>
Net assets, beginning of period	\$ -	\$ -
Increase in net assets from operations	7,734	94,309
Capital transactions (Note 4)		
Proceeds from issuance of units	2,215,312	1,896,000
Reinvestment of distributions	4,441	3,976
	<u>2,219,753</u>	<u>1,899,976</u>
Distributions to unitholders		
From net investment income	(2,140)	(1,916)
From net realized gains	(2,301)	(2,060)
	<u>(4,441)</u>	<u>(3,976)</u>
Net assets, end of period	<u>\$ 2,223,046</u>	<u>\$ 1,990,309</u>
	<u>Total</u>	
Net assets, beginning of period	\$ -	
Increase in net assets from operations	102,043	
Capital transactions (Note 4)		
Proceeds from issuance of units	4,111,312	
Reinvestment of distributions	8,417	
	<u>4,119,729</u>	
Distributions to unitholders		
From net investment income	(4,056)	
From net realized gains	(4,361)	
	<u>(8,417)</u>	
Net assets, end of period	<u>\$ 4,213,355</u>	

(See accompanying notes to the financial statements.)

Vertex Value Fund

Statement of Investments

As at December 31, 2009

Number of Shares	Description	Average Cost \$	Fair Value \$	% of Total
STOCKS				
MATERIALS				
10,000	Acadian Timber Income Fund	66,858	63,500	
22,500	Canfor Corp.	153,277	182,250	
48,500	International Forest Products Ltd., Class A	179,791	223,100	
22,335	Norbord Inc.	312,634	325,644	
25,200	PRT Forest Regeneration Income Fund	36,539	51,408	
126,900	SFK Pulp Fund	88,375	88,996	
72,500	Timberwest Forest Group	312,120	313,925	
6,000	West Fraser Timber Co. Ltd.	181,737	197,460	
850	Weyerhaeuser Co.	39,008	38,599	
	TOTAL MATERIALS	1,370,339	1,484,882	36.71
INDUSTRIALS				
Capital Goods				
1,900	General Electric Co.	31,220	30,137	
900	Ingersoll-Rand PLC	30,668	33,721	
	Total Capital Goods	61,888	63,858	1.58
	TOTAL INDUSTRIALS	61,888	63,858	1.58
CONSUMER DISCRETIONARY				
Consumer Durables & Apparel				
2,000	Mattel Inc.	39,950	41,892	
	Total Consumer Durables & Apparel	39,950	41,892	1.04
Media				
900	Walt Disney Co.	27,032	30,428	
	Total Media	27,032	30,428	0.75
	TOTAL CONSUMER DISCRETIONARY	66,982	72,320	1.79
HEALTH CARE				
Pharmaceuticals & Biotechnology				
3,900	Biovail Corp.	58,058	57,096	
2,600	Bristol-Myers Squibb Co.	66,976	68,993	
1,300	Merck & Co. Ltd.	48,923	49,744	
8,600	Pfizer Inc.	161,374	164,123	
1,800	QLT Inc.	7,536	9,342	
	Total Pharmaceuticals & Biotechnology	342,867	349,298	8.64
	TOTAL HEALTH CARE	342,867	349,298	8.64
FINANCIALS				
Banks				
14,700	Keycorp	91,557	85,530	
14,500	Marshall & Ilsley Corp.	89,529	82,846	
14,600	Regions Financial Corp.	84,883	80,968	
2,300	SunTrust Banks Inc.	50,444	48,875	
2,200	Zions Bancorporation	34,572	29,614	
	Total Banks	350,985	327,833	8.11
Diversified Financials				
3,800	Bank of America Corp.	62,072	59,995	
15,300	Citigroup Inc.	67,579	53,092	
600	JPMorgan Chase & Co.	27,731	26,211	
20,200	Seamark Asset Management Ltd.	26,073	24,240	
	Total Diversified Financials	183,455	163,538	4.04

(See accompanying notes to the financial statements.)

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Statement of Investments

As at December 31, 2009

Number of Shares	Description	Average Cost \$	Fair Value \$	% of Total
	Insurance			
7,150	Aspen Insurance Holdings Ltd.	198,501	190,879	
980	Fairfax Financial Holdings Ltd.	373,502	401,408	
2,800	Genworth Financial Inc.	33,098	33,317	
14,500	Montpelier Re Holdings Ltd.	258,752	263,503	
3,700	PartnerRe Ltd.	299,058	289,599	
4,600	Platinum Underwriters Holdings Ltd.	179,022	184,807	
3,400	Validus Holdings Ltd.	90,983	96,060	
1,800	XL Capital Ltd.	31,736	34,570	
	Total Insurance	1,464,652	1,494,143	36.94
	Real Estate			
760	Plum Creek Timber Co. Inc.	25,834	30,061	
	Total Real Estate	25,834	30,061	0.74
	TOTAL FINANCIALS	2,024,926	2,015,575	49.83
	INFORMATION TECHNOLOGY			
	Technology Hardware & Equipment			
5,950	Celestica Inc.	54,365	58,846	
	Total Technology Hardware & Equipment	54,365	58,846	1.45
	TOTAL INFORMATION TECHNOLOGY	54,365	58,846	1.45
	TOTAL STOCKS	3,921,367	4,044,779	100.00
	Transaction Costs (Note 2)	(8,339)		
	TOTAL INVESTMENTS	3,913,028	4,044,779	100.00

(See accompanying notes to the financial statements.)

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Notes to Financial Statements
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1. Establishment of trust

The Vertex Value Fund (the "Fund") was created on September 14, 2009 under the laws of British Columbia. Vertex One Asset Management Inc. is the Investment Manager and RBC Dexia Investor Services Trust is the Trustee and Custodian of the Fund. The Fund commenced operations on September 21, 2009. The Fund currently offers an unlimited number of Class B and Class F Units.

The investment objective of the Fund is to provide long term capital growth by investing primarily in equity securities of Canadian and United States companies.

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.

Valuation of investments

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 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 December 31, 2009, the Fund's net asset value per unit was:

As at December 31	Net Assets Per Unit 2009	Net Asset Value Per Unit 2009
Class B	10.41	10.44
Class F	10.42	10.45

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.

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

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

Other assets and liabilities

For the purposes of categorization in accordance with Section 3862, accrued interest and dividends, amounts due from brokers, subscription receivable and other assets are designated as loans and other receivables and recorded at cost or amortized cost. Similarly, amount due to brokers, accrued expenses and other liabilities 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 Statement of Operations. The embedded transaction costs in the cost of investment portfolio as at December 31, 2009 are disclosed in the Statement of Investment Portfolio.

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 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 the purposes of purchase and redemption of units, the net asset value

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as described above is used, which differs from the net assets per unit in the Statement 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.

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.

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

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

Future Accounting Changes

At December 31, 2009 the Manager is in the process of developing a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants (CICA) for changeover to International Financial Reporting Standards (IFRS) which will include identifying differences between the Fund's current accounting policies and those it expects to adopt under IFRS, as well as any accounting policy and implementation decisions and their resulting impact, if any, on the NAV of the Fund. The key elements of the plan include the disclosures of the quantitative impact, if any, in the 2009 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The Manager has presently determined that there will likely be no impact to net asset value per unit from the changeover to IFRS but will continue to assess based on changes to existing IFRS. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosures in the financial statements of the Fund.

3. Fair Value Disclosure

Financial Instruments – Disclosures, establishes 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 is 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.

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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. 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, 2009.

Financial Assets at fair value as at December 31, 2009				
	Level 1	Level 2	Level 3	Total
Equities - Long	4,044,779	-	-	4,044,779
	4,044,779	-	-	4,044,779

4. Unitholders' equity

Unitholders' equity includes amounts representing net fund unit subscriptions, undistributed net income, undistributed realized gains (losses) on sale of investments and unrealized appreciation (depreciation) in 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 10), 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 during the period:

	2009	
	Class B	Class F
Units-Beginning of period	-	-
Units issued	213,141	190,648
Units reinvested	426	381
Units-End of period	213,567	191,029

Capital Management

The Portfolios and the Fund have no restrictions or specific capital requirements on the subscription and redemption of units. In accordance with the objectives and the risk management policies outlined in the Financial Risk Management notes (Note 10), the Portfolios and the Fund endeavour 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.

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5. Fees and expenses

a) *Management fees*

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 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 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.

b) *Performance fees*

The Fund also pays the Investment Manager an annual performance fee (the “performance fee”) equal to 20% of the amount by which the cumulative total return of the Fund exceeds the cumulative total percentage increase or decrease of the following benchmarks having the following components and provided that the net asset value per unit for each class of units exceeds a high-water mark. Performance fees will be calculated and accrued daily and payable by the Fund quarterly.

50% weighting – S&P 500 Total Return Index (or its successor indices, as applicable)

50% weighting – S&P Composite Total Return Index (or its successor indices, as applicable)

If at any time the performance of the Fund is less than its benchmark, then no performance fee will be payable until the performance of this Fund relative to its benchmark has exceeded the amount of the deficiency, which deficiency will carry forward for one year. In addition, the highest daily net asset value per unit for each class of units establishes a high-water mark for each class of units which must be exceeded in subsequent days for the performance fee applicable to each class of units to be payable.

The performance fees incurred for the period ended December 31, 2009 are \$ 33,056 and were all outstanding at December 31, 2009.

c) *Fees and expenses*

The Fund is responsible for the payment of all fees and expenses relating to its operation, 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), record keeping and legal fees and expenses, custody and safekeeping charges.

Vertex One Asset Management, manager to the fund, absorbed certain administrative expenses, securityholder reporting costs, custody fees, audit fees, IRC fees and also waived certain management and performance fees due to the size of the fund in the months following its launch date.

Vertex Value Fund

Notes to Financial Statements

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6. Distribution of net investment income and capital gains

Net investment income and net capital gains of the Funds are distributed to unitholders of record as of the close of business on the last valuation day in the year. Unless unitholders have requested cash, all distributions are reinvested automatically in additional units of the Fund immediately following the valuation date.

7. Income taxes

The Fund is a mutual fund trust as defined by the Income Tax Act. No provisions for income taxes are included in the financial statements as the net income and net capital gains are distributed to the unitholders and immediately reinvested in the Fund. As at December 31, 2009, there were no capital losses and no non-capital losses to be carried forward.

8. Soft dollar commissions

Soft dollar commissions relate to amounts paid to brokers in exchange for research or other services provided to the investment manager. There were \$2,067 soft dollar commissions paid during the period.

9. Securities Lending Transactions

The Fund lends portfolio securities from time to time in order to earn additional income. Income from securities lending is recorded in investment income in the statement of operations of the Fund.

The Fund has entered into a securities lending program with its custodian, the RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Fund cannot exceed 100% of the assets of the Fund. The Fund receives collateral of at least 105% of the value of securities on loan. Collateral may comprise cash, shares, and obligations of or guaranteed by the Government of Canada or a province thereof, by the United States government or its agencies, or by other Organization for Economic Coordination & Development (OECD) member countries' governments.

As at December 31, 2009, there were no securities on loan and no collateral held under securities lending.

10. Financial Risk Management

The Fund's financial instruments consist of cash and investments, accrued interest and dividends, amounts due from brokers, subscription receivable and other assets designated as loans and other receivables. 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:

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(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 market 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 of December 31, 2009, if the S&P Index (which the fund was exposed to) had increased or decreased by 5% at December 31, 2009, with all other variables held constant, this would have approximately increased or decreased net assets to amount in a difference of \$202,239. Actual results may differ from this sensitivity analysis and those results could be material.

(b) Interest rate risk

The majority of the Fund's financial assets are non-interest bearing; however, the Fund does hold cash and cash equivalents. As a result, the Fund was subject to interest rate risk due to fluctuations in the prevailing level of market interest rates which could impact the Fund's cash flows.

The table below summarizes the Fund's exposure to interest rate risk. It includes the Fund's assets and trading liabilities at fair values, 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 December 31, 2009					
Assets					
Financial assets held for trading					
Equities	\$ -	-	-	\$ 4,044,779	\$ 4,044,779
Cash and cash equivalents	254,380	-	-	-	254,380
Accrued interest and dividend receivable	3,195	-	-	-	3,195
Subscription receivable	87,333	-	-	-	87,333
Total Assets	344,908	-	-	4,044,779	4,389,687
Liabilities					
Accounts payable and accrued liabilities	23,511	-	-	-	23,511
Due to brokers	143,276	-	-	-	143,276
Total Liabilities	166,787	-	-	-	166,787
Total Interest sensitivity gap	\$ 178,121	-	-	\$ 4,044,779	\$ 4,222,900

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(c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than 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, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

The table below summarizes the Fund's exposure to currency risks.

Currency	December 31, 2009 Exposure
U.S. Dollar	\$ 1,953,577

As at December 31, 2009, if the exchange rate between the Canadian Dollar and the US Dollar the Fund was exposed to increased or decreased by 5%, with all other variables held constant, the decrease or increase respectively in net assets would approximately amount to values \$97,679.

(d) Credit risk

As at December 31, 2009, the Fund had no significant investments in debt instruments and/or derivatives. Therefore, no impact on credit risk.

(e) 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. The Fund retains sufficient cash and cash equivalents to maintain liquidity.