

VERTEX ARBITRAGE FUND

VERTEX ONE
Asset Management Inc.

Absolutely Alternative

Low Volatility

Absolute Returns

Tax Efficient

Investment Objective & Strategy

The principal investment objective is to generate consistent, positive returns, with low volatility and low correlation to equity markets. With the majority of the return in the form of capital gains the fund will be a tax efficient investment vehicle.

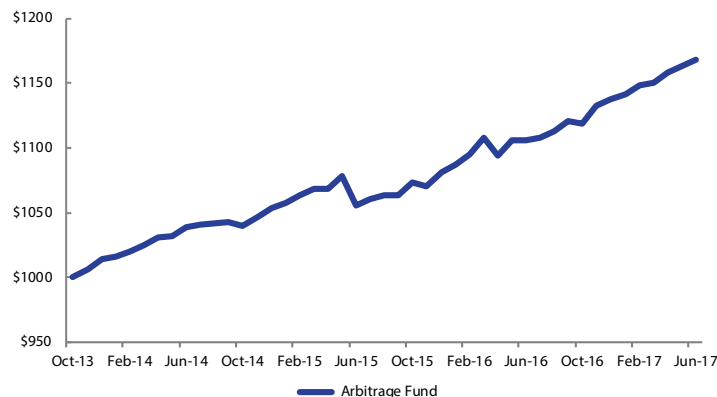
“Merger Arbitrage” is the predominant strategy of the fund; this involves capturing a profit from the discount between the market price and the “deal” price for a target company in an announced, legally-binding, merger situation. There are two main types of corporate mergers: cash and stock mergers. In stock mergers, the fund hedges market risk by selling short the acquiring company shares, while simultaneously buying the target company shares. In cash mergers, there is no need to hedge with the acquirer’s stock. In both situations the resulting portfolio is market-neutral.

Performance (Net of fees and includes reinvested distributions)

	Fund	FTSE Bond Index*	HFRI Equity Market Neutral Index
Beta		0.07	0.42
Correlation		0.15	0.35
Standard Deviation	2.01%	4.26%	1.68%
% Positive Months	82.22%	57.78%	75.56%

	Fund	FTSE Bond Index*	HFRI Equity Market Neutral Index
1 month	0.28%	-1.90%	0.93%
3 month	1.16%	-2.21%	0.03%
YTD	2.97%	0.42%	1.64%
1 year	5.76%	-2.70%	2.92%
2 year	5.09%	1.78%	2.88%
Since Inception	4.31%	3.61%	3.30%
Cumulative Return	17.17%	14.21%	12.95%

Growth of \$1,000 Since Inception



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	0.32%	0.61%	0.17%	0.68%	0.41%	0.46%	0.28%						2.97%
2016	0.60%	0.69%	1.20%	-1.29%	1.13%	-0.03%	0.20%	0.45%	0.73%	-0.17%	1.21%	0.48%	5.27%
2015	0.40%	0.52%	0.51%	-0.03%	0.91%	-2.11%	0.54%	0.24%	0.00%	0.93%	-0.25%	0.95%	2.60%
2014	0.27%	0.39%	0.43%	0.64%	0.04%	0.64%	0.26%	0.07%	0.10%	-0.28%	0.68%	0.61%	3.92%
2013											0.59%	0.78%	1.38%

Firm Assets	\$1.35 Billion
Fund Assets	\$129 Million
Type of Fund	Market Neutral
RSP Eligible	Yes
Pricing Schedule	Monthly
Offer Document	Offering Memorandum
Lock up	No
Purchase Minimum	\$25,000 (initial) \$10,000 (subsequent)
High water mark	Yes
Performance Fee	15% of the amount above the high water mark
Management Fee	1%
Fund Codes	VRT 901
Administration/Trustee	CIBC Mellon
Prime Broker	TD Securities Inc.
Auditor	PriceWaterhouseCoopers
Inception Date	October 31, 2013
NAV	\$10.9065

*FTSE TMX Canada Universe Bond Index

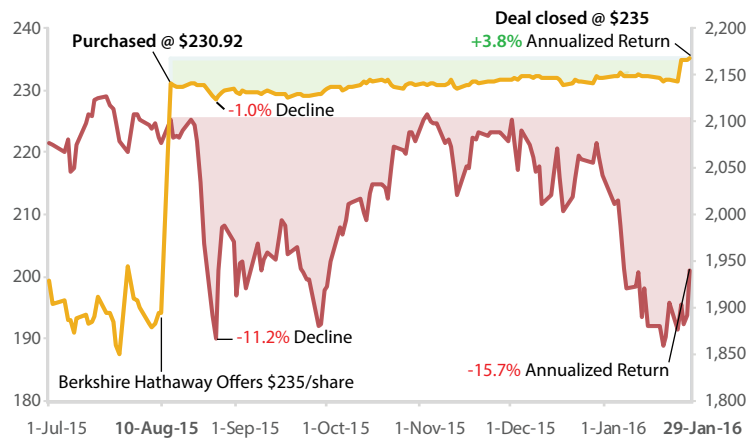
Portfolio Manager | Craig Chilton & Tom Savage

As at July 31, 2017

Fund Fact Sheet

Example of Merger Arbitrage

Illustrated below, is the all-cash acquisition of Precision Castparts by Berkshire Hathaway with a comparison to US stock market over the same time period. A profit was made from the closing of the spread between the market price and deal price, which occurred independent of the market's return.



Management Team

Craig Chilton and Tom Savage are the portfolio managers of the Vertex Arbitrage Fund. Both joined Vertex One in 2010 from CIBC's highly successful, proprietary trading group. Mr. Chilton ran arbitrage strategies for 15 years at CIBC; Mr. Savage rejoined CIBC after completing an MBA at Harvard Business School, following several years on an arbitrage desk at CIBC and several years in private equity and long-only investing.

Corporate Profile

We are an independent investment firm that seeks to offer investors a different approach to fund management, one based on capital preservation in both good and bad markets. Through six funds we offer investors a full spectrum of risk and return profiles, actively managed by asset class and strategy exposure. Vertex employees are collectively the largest investors across its funds.

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Statistical Comparison

	FUND	FTSE TMX Canada Universe Bond Index
Compound ROR	4.31%	3.61%
Sharpe Ratio (Rf=LIBOR, 1M, USD)	1.51	0.57
Sortino Ratio	2.25	1.21
Largest Monthly Gain	1.21%	4.63%
Largest Monthly Loss	-2.11%	-2.07
Median Monthly Return	0.45	0.20
Max Drawdown	-2.11	-3.55
Max Drawdown Duration	6 Months	13 Months

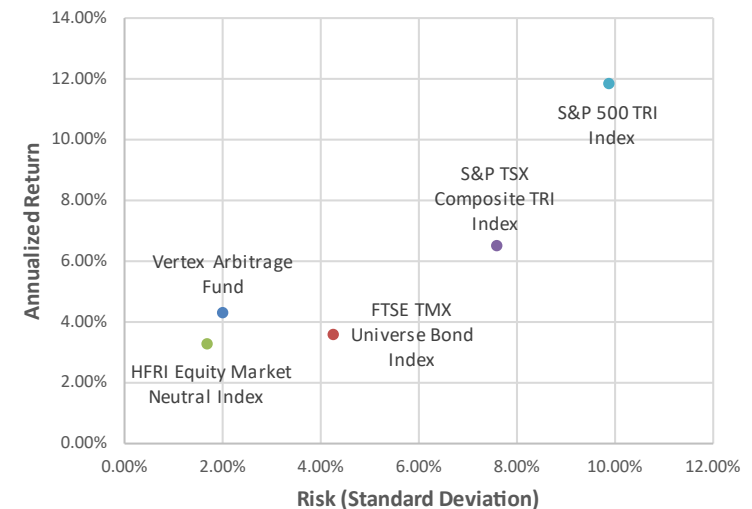
Portfolio Details

Average Market Cap	# of Deals	# of SPACs
\$19 Billion	31	21
%Long	%Short	%Net
93.6%	-27.9%	65.8%
■ United States: 65.35%	■ Canada: 18.89%	
■ Europe: 15.75%		

Dealer Services

CIBC Mellon Dealer Services
 Phone: 416-643-6509 Toll Free: 866-885-7505

Risk vs Return Comparison



Periods of Market Volatility

