

THE VERTEX FUND

VERTEX ONE
Asset Management Inc.

- An Authentic Alternative -

Since Inception Return	Total Cumulative Return	Percent Positive Months	Annualized Alpha (Return above S&P 500)
10.59%	720.43%	66.93%	7.60%

Investment Objectives

The principal objective is the growth of capital in excess of benchmarks and to preserve capital throughout an economic cycle. The management team takes an opportunistic approach to investing while employing a broad range of strategies to diversify the portfolio and drive results on a consistent basis.

Investment Strategy

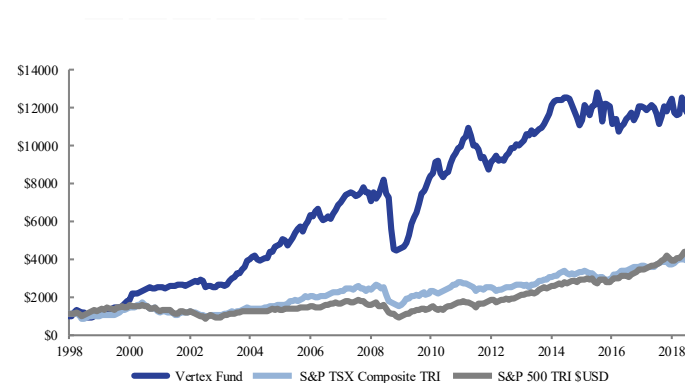
The portfolio has an event-driven focus, wherein catalysts are identified that will likely have an impact on a company's stock price or capital structure. Throughout an economic cycle, different strategies will provide more favourable risk/reward trade-offs, permitting opportunities for reallocating capital. Fundamental analysis is the cornerstone of the team's skill set, but the investment strategies include: merger arbitrage, convertible arbitrage, high yield debt, capital structure arbitrage, fundamental longs, shorts, options and other special situations.

Performance (Net of all fees and include reinvested distributions)

Comparison to Benchmarks

	Fund	S&P 500 TRI (\$USD)	S&P/TSX Composite TRI
1 month	-10.84%	-9.03%	-5.40%
Year to date	-32.98%	-4.38%	-8.89%
1 year	-32.98%	-4.38%	-8.89%
3 year	-12.06%	9.26%	6.37%
5 year	-6.85%	8.49%	4.06%
10 year	6.18%	13.12%	7.92%
15 year	5.07%	7.77%	6.65%
Since Inception	10.59%	6.58%	5.66%
Cumulative Return	720.43%	279.55%	254.46%

Growth of \$1,000 Since Inception



Calendar Year Returns

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Vertex Fund	-32.98%	1.55%	-0.07%	8.67%	-5.09%	16.47%	14.78%	-11.70%	19.46%	84.18%	-40.25%	9.99%	14.72%	27.12%	20.20%	48.91%
S&P 500 (\$USD)	-4.38%	21.83%	11.96%	1.38%	13.69%	32.39%	16.00%	2.11%	15.06%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.88%	28.68%
S&P/TSX	-8.89%	9.10%	21.08%	-8.32%	10.55%	12.99%	7.19%	-8.71%	17.61%	35.05%	-33.00%	9.83%	17.26%	24.13%	14.48%	26.72%

Firm Assets	\$849 Million
Fund Assets	\$223 Million
Type of Fund	Opportunistic
RSP Eligible	Yes
Pricing Schedule	Monthly
Offer Document	Offering Memorandum
Lock up	No
Redemption Fee	On DSC Class
High water mark	Yes
Performance Fee	20% of the amount above the high water mark
Management Fee	B: 2% F: 1%
Fund Codes	VRT 301(F), VRT 302(B), VRT 303(DSC)
Administration/Trustee	CIBC Mellon
Prime Broker	TD Securities Inc.
Auditor	PriceWaterhouseCoopers
Inception Date	February 6, 1998
NAVPU - Class A	\$45.8493
NAVPU - Class B	\$6.5189
NAVPU - Class F	\$43.5574

Portfolio Manager
John Thiessen

Mr. John Thiessen is a founding partner and director of Vertex One Asset Management. Mr. Thiessen has overall responsibility for the investment and trading decisions affecting the Vertex Fund. He has operated as the lead manager of the Vertex Fund since its inception on February 6, 1998. Mr. Thiessen has significant investment experience with over 25 years of equity, fixed income and arbitrage investing. Mr. Thiessen holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and CFA Society of Vancouver.

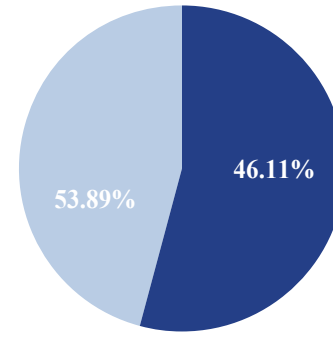
Third Quarter Commentary

Buying 80,000 barrels of oil a day from Saudi Arabia for a total annual cost of \$2.5 Billion dollars is not Making Canada Great Again.

At the time of writing this in October, global stock markets are now sharply down, mainly on concern over higher interest rates and the fear of Chinese tariffs impacting the global economy. We can't control stock prices, but we can control the value we own. Our portfolio is mainly unchanged over the past year. Although, we have concentrated the portfolio more towards our favourite holdings. As such, we expect the portfolio to be more volatile in the short run - to the upside as we saw in May and to the downside as we see now in October. However, the deep discounts in our holdings will champion outsized returns in our fund for the future.

Our two biggest energy holdings, Petroshale and Lilis Energy, are down substantially as of October. If you look at all our other holdings, they are down modestly versus the declines in our 40% weight in oil and gas. Free-cash-flow at these companies continues to grow, but the market is only rewarding those that buy back stock and not those that reinvest into businesses. We prefer growth companies at a value price, and our largest holding Petroshale now trades at 1.7x cash flow. Yes, we loved it as cheap when it was 50% higher at 2.5x cash flow. Petroshale is on track to triple production and cash flow this year and double it again next year.

Geographic Allocation



■ Canada ■ United States

	Fund	S&P 500	TSX TRI
Std. Deviation	16.68%	14.91%	14.44%
Sharpe Ratio	0.55	0.35	0.33

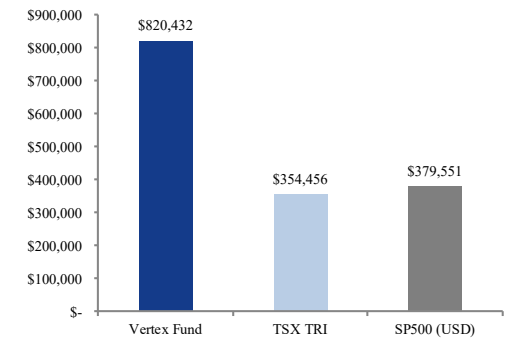
rf = LIBOR, 1M, USD

	Relative to S&P TSX	Relative to S&P 500
Monthly Alpha	0.50%	0.61%
Annualized Alpha	6.20%	7.60%
Beta	0.77	0.56
Correlation	0.67	0.50

Net Strategy Allocations

Strategy	Long	Short	Net
Long/Short	46.63	-4.97	41.66
Merger Arbitrage	28.88	0.00	28.88
High Yield	10.48	0.00	10.48
Private	7.52	0.00	7.52
Capital Structure Arb.	0.00	0.00	0.00
Convert Arbitrage	0.00	0.00	0.00
Spin Out	0.00	0.00	0.00
Other Special Sits	0.00	0.00	0.00
Outright Shorts	0.00	-18.41	-18.41
Total	93.51	-23.38	70.13

Total Cumulative Return of \$100,000



15-Year, Historical Monthly Performance

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Jan	1.82%	0.26%	-7.42%	2.49%	3.90%	0.84%	4.24%	0.46%	1.14%	1.73%	-5.85%	2.29%	6.27%	1.54%	1.45%	1.61%
Feb	-5.55%	-0.46%	1.56%	6.85%	1.44%	1.73%	1.90%	3.61%	1.82%	2.35%	6.67%	2.42%	-0.86%	6.28%	4.80%	0.08%
Mar	-1.39%	-1.17%	0.34%	-1.45%	0.62%	3.13%	1.61%	1.62%	6.92%	4.00%	-4.43%	2.67%	4.28%	-2.02%	0.49%	-2.37%
Apr	0.46%	1.18%	-5.59%	-3.07%	0.22%	-0.93%	-2.47%	4.51%	0.80%	8.07%	2.09%	1.56%	1.52%	-4.36%	-4.11%	3.21%
May	7.40%	0.86%	2.74%	3.88%	-0.35%	2.57%	0.51%	-3.86%	-7.25%	11.40%	5.42%	0.92%	-6.34%	4.09%	-1.29%	6.66%
Jun	-3.98%	-0.98%	0.92%	0.61%	1.39%	-1.86%	-0.56%	-5.23%	-2.54%	5.43%	5.28%	-1.42%	-2.83%	3.51%	0.65%	3.29%
Jul	-2.51%	-2.61%	2.45%	5.66%	-0.27%	1.55%	3.25%	0.34%	2.42%	5.02%	-9.08%	-1.42%	1.53%	5.28%	2.81%	3.77%
Aug	0.38%	-4.65%	0.98%	-3.56%	-0.33%	1.40%	1.25%	-2.00%	1.04%	6.72%	-2.65%	0.79%	2.01%	4.06%	-0.50%	6.06%
Sep	2.14%	3.70%	1.75%	-8.67%	-2.72%	0.62%	2.36%	-5.03%	5.09%	7.26%	-22.58%	1.98%	-2.51%	2.05%	7.51%	0.32%
Oct	-15.41%	4.21%	-3.12%	8.08%	-2.98%	1.53%	0.32%	0.65%	4.11%	2.39%	-19.91%	3.23%	4.95%	-4.45%	0.92%	6.08%
Nov	-9.53%	-2.09%	2.36%	0.32%	-2.45%	2.25%	1.86%	-3.54%	1.74%	1.86%	-1.47%	-3.29%	2.48%	5.86%	5.55%	4.32%
Dec	-10.84%	3.71%	3.67%	-1.51%	-3.42%	2.64%	-0.23%	-3.30%	3.36%	6.89%	1.59%	0.05%	4.07%	3.19%	0.81%	7.96%
Year	-32.98%	1.55%	-0.07%	8.67%	-5.09%	16.47%	14.78%	-11.70%	19.46%	84.18%	-40.25%	9.99%	14.72%	27.12%	20.20%	48.91%

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 seven 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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This statistical information is intended to provide you with information about the Vertex Fund. Advertised performance is based on Class A shares. Important information about the Fund is contained in the Offering Memorandum which should be read carefully before investing. You can obtain an offering memorandum from Vertex One Asset Management Inc. The Offering Memorandum for Vertex One Asset Management Inc.'s investment funds does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. The indicated rates of return are the historical compounded returns for the period indicated, including changes in security value and the reinvestment of all distributions and do not take into account income taxes payable that would have reduced returns. The funds are not guaranteed; their values change frequently and past performance may not be repeated.