

# VERTEX MANAGED VALUE PORTFOLIO

**VERTEX ONE**  
Asset Management Inc.

An Active Alternative

Since Inception Return	Total Cumulative Return	10 Year Return	Standard Deviation
6.01%	248.70%	5.00%	13.49%

## Investment Objective & Strategy

The principle objective is to provide growth of capital while minimizing volatility through investment in a combination of equities and income securities, while maintaining an opportunistic outlook for unique investment situations. Using a common sense businesslike approach, our core belief is that return is generated through company earnings, not stock trading; thus turnover is limited.

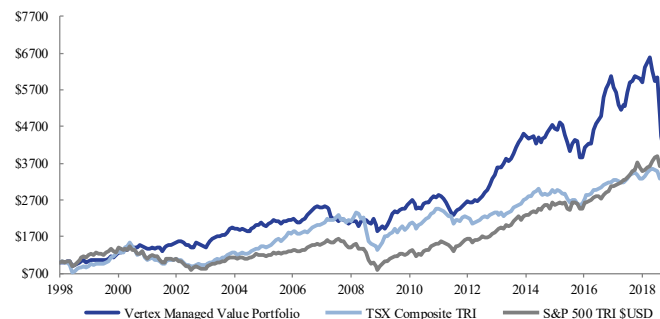
Emphasis is placed on equities trading at values of under two-thirds of the general market, when looking at their price-to-earnings or price-to-book ratios, that also have annuity stream revenues with lower debt and higher dividends. If the valuations of annuity-based companies are not favourable due to changing economic conditions, the portfolio may invest in equities within sectors trading at discounted valuations to the general market. This approach can result in a portfolio concentrated on fewer sectors of the overall economy. Income is achieved through many avenues: investments in conventional government and corporate bonds, as well as preferred, convertible and broken convertible securities. In addition, the Fund will take advantage of opportunities in higher-yielding equities, securities lending and covered-call writing.

## Performance (Net of fees and includes reinvested distributions)

### Comparison to Benchmarks

	Fund	S&P 500 TRI (\$USD)	S&P/TSX Composite TRI
1 month	-2.66%	1.44%	0.34%
Year to date	-9.52%	20.24%	16.62%
1 year	-43.70%	7.99%	3.05%
3 year	-8.75%	13.36%	7.14%
5 year	-3.72%	11.34%	4.44%
10 year	5.00%	14.03%	7.39%
15 year	4.16%	9.10%	7.48%
Since Inception	6.01%	6.75%	6.26%
Cumulative Return	248.70%	404.94%	265.35%

### Growth of \$1,000 Since Inception



## Calendar Year Returns

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Managed Value Portfolio	-9.52%	-36.40%	5.58%	33.52%	-5.57%	7.14%	37.51%	25.09%	-9.36%	10.30%	13.52%	1.84%	-14.24%	18.00%	5.19%
S&P 500 (\$USD)	20.24%	-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%
S&P/TSX	16.62%	-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%

Type of Fund	Concentrated Value
RSP Eligible	Yes
Pricing Schedule	Monthly
Offer Document	Offering Memorandum
Lock up	No
Redemption Fee	On DSC class
Hurdle Rate	5%
Performance Fee	20% above the hurdle rate
Management Fee	B: 1.9% F: 1%
Fund Codes	VRT 101(F), VRT 102(B) VRT 103(DSC)
Inception Date	April 3, 1998
Trustee	CIBC Mellon
Custodian/Administration	CIBC Mellon
Auditor	PriceWaterhouseCoopers
NAVPU - Class A	\$15.4026
NAVPU - Class B	\$5.8107
NAVPU - Class F	\$16.0829

### Portfolio Managers - Geoff Castle & David Barr of PenderFund Capital Management Ltd.

**DAVID BARR, CFA** - Mr. Barr is the President and CEO of PenderFund Capital Management Ltd. (“Pender”). He is also the Portfolio Manager of several of Pender’s funds and has been investing since 2000. Mr. Barr is an advocate of value investing and aims to determine the intrinsic value of a company and to buy shares in that company at a significant discount to that value (margin-of-safety). He looks for value in unloved and unfollowed parts of the market where he can find quality at a discount. Capital preservation and downside protection are a primary concern.

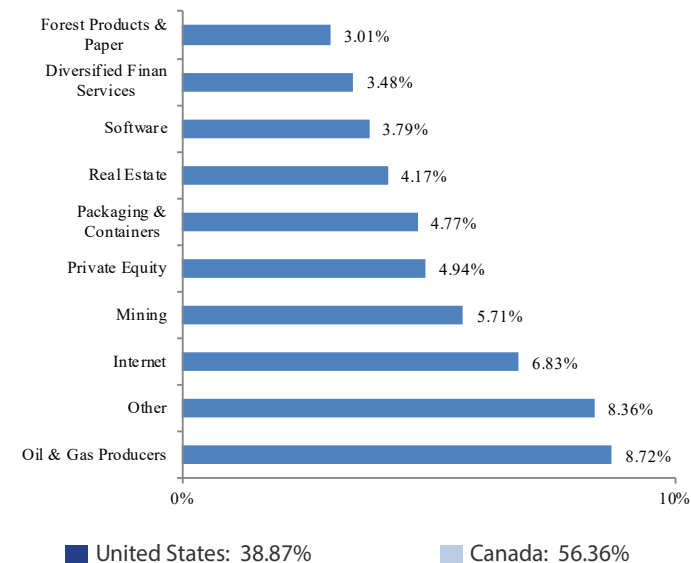
Mr. Barr holds a Bachelor of Science degree from the University of British Columbia and an MBA (Finance and Strategic Management) from the Schulich School of Business at York University. He earned his Chartered Financial Analyst (CFA) designation in 2003 and is a past President and an active member of the Vancouver chapter.

**Felix Harhi, CFA** - Mr. Narhi is Chief Investment Officer and a Portfolio Manager at PenderFund Capital Management Ltd. He began his investing career in 1999 and advocates a business-like approach to investing. Sound investing is the process of determining the value underlying a security and then buying it at a considerable discount to that value. The greatest challenge is to maintain the necessary balance between patience and discipline to only buy when prices are attractive and to sell when they are dear.

Mr. Narhi holds a Bachelor of Commerce degree from the University of British Columbia. He earned his Chartered Financial Analyst (CFA) designation in 2003 and is a member of CFA Vancouver.

Portfolio Advisor: PenderFund Capital Management Ltd, Since July 1, 2019

### Sector Allocations



### Statistics

	Fund	Benchmark
Beta		0.45
Sharpe	0.33	0.37
Standard Deviation	13.49%	14.40%
Largest monthly gain	10.40%	12.05%
Largest monthly loss	-16.85%	-20.11%
% positive months	60.94%	62.40%

rf = LIBOR, 1M, USD

### 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. 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.

#### Vertex One Head Office

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This statistical information is intended to provide you with information about the Vertex Managed Value Portfolio. 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.