No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. The securities offered hereunder will be issued under exemptions from the prospectus requirements of the applicable securities laws of each of the provinces and territories of Canada, and the rules, regulations and policies thereunder and will be subject to certain resale restrictions. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of the material by the securities commissions or similar authorities in Canada.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States. These securities may not be offered or sold in the United States except pursuant to exemptions from registration under the U.S. Securities Act and all applicable states' securities laws. The term "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

CONFIDENTIAL OFFERING MEMORANDUM

Continuous Offering **June 29, 2019**

The Issuer

VERTEX MANAGED VALUE PORTFOLIO

3200-1021 West Hastings Street
Vancouver, British Columbia, V6E 0C3
Tel: 604-681-5787 Fax: 604-681-5146
E-mail: invest@vertexone.com

CLASS A, B AND F TRUST UNITS

The Vertex Managed Value Portfolio Fund is an open-end investment fund established under the laws of British Columbia as a trust. **These securities do not trade on any exchange or market.** The Fund is not a reporting issuer under applicable securities laws and does not file documents electronically via SEDAR.

The Offering

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum.

This Offering Memorandum constitutes a private offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully sold and therein only by those entities permitted to sell such securities. This Offering Memorandum is not, and under no circumstances is it to be construed as a prospectus, advertisement or public offering of the securities referred to herein.

Securities Offered:	An unlimited number of Class A, B and F trust units (each, a "**Unit**" and collectively, "**Units**") are being offered hereby on a continuous basis. See "Securities Offered – Terms of Securities". Each Unit within a particular class will be of equal value, however, the value of a Unit in one class may differ from the value of a Unit in another class. Each class shall have the attributes and characteristics as set out under the heading "Securities Offered – Summary of Trust Agreement".
Price Per Security:	The subscription price per Unit will be the applicable net asset value of the Units as at the last business day of the month in which the subscription is accepted and may vary from class to class. The Fund will be valued on the last business day of each month. A business day means a day of the year on which banks are not required or authorized to close in Vancouver, British Columbia. The net asset value of each class of Units is determined in accordance with the Fund's Trust Agreement (as defined below under the heading "Business of the Fund – Structure"), and is calculated by subtracting the aggregate amount of the total liabilities of the Fund attributable to each class, including accruing fees or liabilities as determined from time to time by Vertex One Asset Management Inc. ("**Vertex One**" or the "**Manager**"), including any performance fee (see "Management of Fund – Fees – Performance Fee") accruing in favour of the Manager, from the total assets of the Fund attributable to each class. The net asset value per Unit for each class on a Valuation Day (as defined below) is determined by dividing the net asset value of each class of Units by the number of Units outstanding (before Unit redemptions and subscriptions) at the close of business on the Valuation Day. See "Securities Offered - Terms of Securities - Summary of Trust Agreement".
Minimum/Maximum Offering:	**There is no minimum. You may be the only purchaser.** There is also no maximum. **Funds available under the offering may not be sufficient to accomplish the Fund's proposed objectives.**
Minimum Subscription Amount:	The minimum subscription price for the Units is $25,000 for Class A Units, $25,000 for Class B Units, and $25,000 for Class F Units, or in each case such lesser amount as the Manager, in its sole discretion, may accept.
Payment Terms:	The subscription price is payable upon subscription, by cheque or by bank draft. No financing of the subscription price will be provided by the Manager.
Proposed Closing Date(s):	Units may be purchased on the last business day of each month.
Income Tax Consequences:	There are important tax consequences associated with an investment in these securities. See "Certain Canadian Federal Income Tax Considerations".
Selling Agent:	No.

Resale Restrictions

You will be restricted from selling your securities for an indefinite period. As there is no market for these securities, it may be difficult or even impossible for an investor to sell them. The Units are subject to resale restrictions. See "Resale Restrictions". However, an investor may generally elect to redeem any or all of his Units on the last business day of any month. See "Securities Offered - Terms of Securities - Summary of Trust Agreement - Redemption Price and Payment".

Purchasers' Rights

You have two business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See "Purchasers' Rights".

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors".

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FORWARD-LOOKING INFORMATION

This Offering Memorandum includes forward-looking information with respect to the Fund. In particular, the information contained in the section called "Investment Objective, Strategies, Policies and Restrictions" may constitute "forward-looking information" for the purpose of securities legislation, as it contains statements of the intended course of conduct and future operations of the Fund. These statements are based on assumptions made by the Manager about the success of the Fund's investment strategies in certain market conditions, relying on the experience of the Manager's officers and employees and their knowledge of historical economic and market trends. Investors are cautioned that the assumptions we make and the success of the Fund's investment strategies are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact the success of our intended strategies as well as the Fund's actual course of conduct. Investors are urged to read the section called "Risk Factors" for a discussion of other factors that will impact the Fund.

USE OF AVAILABLE FUNDS

The Fund sells Units on a continuous basis, with closings of this offering occurring on the last business day of each month. There is no maximum and no minimum number of Units that will be sold as part of this offering. The money the Fund receives from the sale of Units will be used to invest in securities in the manner described below in the section called "Business of the Fund – Investment Objective, Strategies, Policies and Restrictions", and to pay the fees described below in the section called "Business of the Fund – Management of the Fund – Fees" and the operating expenses of the Fund described below in the section called "Business of the Fund – Fees and Expenses".

No selling commissions or fees will be paid by the Fund or us in connection with the sale of Units; however, we will pay approved qualified dealers and brokers a service fee for on-going advice and service provided by the dealers and brokers to their clients who have invested in the Fund. See the section below called "Compensation Paid to Sellers and Finders".

BUSINESS OF THE FUND

Structure

The Vertex Managed Value Portfolio (defined above as the "**Fund**"), formerly known as the Vertex Balanced Fund, is an unincorporated open end investment trust which was formed under the laws of British Columbia on March 31, 1998. The Fund is governed by an amended and restated trust agreement made as of June 1, 2007 (the "**Original Trust Agreement**") between Vertex One Management Inc. (defined above "**Vertex One**" or the "**Manager**") and RBC Dexia Investor Services Trust ("**RBC Dexia**"), as amended by an amending agreement made as of October 5, 2012 between Vertex One and CIBC Mellon Trust Company (in such capacity, the "**Trustee**"), under the terms of which the Trustee replaced RBC Dexia as trustee of the Fund (such agreement as amended and as may be further amended from time to time, the "**Trust Agreement**").

CIBC Mellon Trust Company (in such capacity, the "**Custodian**") acts as the custodian of the Fund's assets pursuant to a custodial services agreement made as of September 5, 2012 (the "**Custodial Services Agreement**") among the Manager, the Custodian, CIBC Mellon Global Securities Services Company ("**CIBC Mellon Global**"), Canadian Imperial Bank of Commerce and Bank of New York Mellon. The Manager will not hold custody of the assets of the Fund. CIBC Mellon Global also acts as the recordkeeper ("**Recordkeeper**") and fund administrator of the Fund pursuant to a fund administration services agreement dated September 5, 2012 (the "**Fund Administration Services Agreement**") among the Fund, the Manager and CIBC Mellon Global. The auditor of the Fund is PricewaterhouseCoopers LLP.

Beneficial interests in the Fund are divided into trust units (each defined above as a "**Unit**" and collectively as "**Units**") of multiple classes. There is no limit to the number of Units or the number of classes that may be issued subject to any determination to the contrary made by the Manager. Each Unit within a particular class will be of equal value, however, the value of a Unit in one class may differ from the value of a Unit in another class. There are currently three classes of Units being offered for sale by the Fund pursuant to this Offering Memorandum – Class A, Class B and Class F. The attributes and characteristics of each class of Unit are described under the heading "Securities Offered – Summary of Trust Agreement". In addition to the Units described in this Offering Memorandum, the Fund may create additional classes of Units with such attributes and characteristics as the Manager may determine, and which may be offered for sale to such persons as the Manager may determine.

The Trust Agreement sets out the rights, duties and obligations of the Manager in relation to the Fund. Under the terms of the Trust Agreement the Manager is responsible for managing the business and affairs of the Fund, including providing the Fund with all necessary administrative and portfolio advisory services.

The head office and principal business address of the Fund and the Manager is 3200-1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3. The fiscal year end of the Fund is December 31st in each year and the taxation year end is December 15th in each year.

Management of the Fund

Manager and Investment Advisor

Vertex One Asset Management Inc. (defined above as "**Vertex One**" or the "**Manager**") is the manager and investment advisor of the Fund. The Manager was incorporated under the laws of Canada on October 24, 1997. The head office and principal business address of the Manager is 3200-1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3. The registered office of the Manager is located at 1200 Waterfront Centre, 200 Burrard Street, P.O. Box 48600, Vancouver, British Columbia, V7X 1T2. The Manager is principally owned by Mr. John Thiessen and Mr. Jeffrey McCord, each of whom is a director of the Manager. The Manager is currently registered as a portfolio manager and an exempt market dealer with securities regulators in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick and Prince Edward Island, and as an investment fund manager with securities regulators in British Columbia and Ontario. The Manager may also be considered to be a "promoter" of the Fund within the meaning of applicable securities laws because the Manager took the initiative in organizing the Fund.

Portfolio Advisors

As the primary investment advisor for the Fund, the Manager is responsible for providing investment advice and portfolio management services to the Fund. The Manager may hire portfolio advisors, to provide investment advice and portfolio management services to the Fund. Each selected portfolio advisor will have the discretion to purchase and sell portfolio securities for the Fund or the portion of the Fund they manage. Each portfolio advisor will also operate within the Fund's investment objectives, restrictions and policies, and any other constraints we may impose. The Manager will monitor and assess the performance of portfolio advisors on an ongoing basis, and we may hire or replace portfolio advisors at any time.

PenderFund Capital Management Ltd. ("**Pender**") has been appointed to act as the portfolio advisor to the Fund effective as of July 1, 2019, pursuant to the terms of a portfolio advisor agreement between the Manager and Pender, dated as of June 28, 2019, and effective as of July 1, 2019 (the "**Portfolio Advisor Agreement**"). For additional information regarding Pender, see below under "Directors, Management, Portfolio Advisors, Promoters and Principal Holders – Portfolio Advisors".

Fees

Management Fee

In consideration of the services provided by the Manager, the Fund pays the Manager a monthly management fee calculated as a percentage of the net asset value of each applicable class of Units that comprise the Fund on the last business day of the month. The management fee may vary from class to class and will be deducted as an expense of the Fund in the calculation of the net profits of the Fund. The management fee is subject to applicable taxes, such as GST. The management fee for each of the applicable classes of Units is as follows:

Class A:	1/12 of 1% (1% per annum) of the net asset value of Class A Units of the Fund on the last business day of the month.
Class B:	1/12 of 1.9% (1.9% per annum) of the net asset value of Class B Units of the Fund on the last business day of the month.
Class F:	1/12 of 1% (1% per annum) of the net asset value of Class F Units of the Fund on the last business day of the month.

Performance Fee

The Manager is entitled to a Performance Fee equal to 20% of the amount by which the performance of the Fund exceeds a threshold annualized increase of 5% (the "**Hurdle Rate**") for each class of Units. The Hurdle Rate of 5% is reset on January of each new calendar year for each class of Units. The performance fee is accrued monthly and is payable for each calendar year. The performance fee is payable by the Fund within 10 business days from the year-end. Upon 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 month in which the Units were redeemed.

The Manager has reserved the right to change the period for which any performance fee may be paid by the Fund to the Manager. The performance fee is subject to applicable taxes, such as GST.

Investment Objective, Strategies, Policies and Restrictions

Investment Objective

The principal objective of the Fund is to achieve superior returns by profiting from investment opportunities identified by the Manager. In order to achieve this objective, the Manager employs a variety of investment strategies to take advantage of profitable opportunities in the capital markets.

The Fund will employ a variety of investment strategies to achieve its investment objectives. More specifically, the assets of the Fund will be invested, under the discretion of the Manager, in a diversified portfolio of equity and fixed income securities to provide unitholders ("**Unitholders**") with an opportunity for capital appreciation and high current income. The Manager will vary its asset allocation to adapt to prevailing economic conditions. The Fund's long term asset allocation policy is targeted towards a balanced portfolio of equities and fixed income securities.

Investment Strategies

The Fund will seek to achieve its investment objective by:

(a) trading or investing in securities and financial instruments pursuant to the Fund's investment objectives and strategies, subject to the Fund's investment policies and restrictions (as those investment objectives, strategies, policies and restrictions are defined or described below);

(b) temporarily holding cash for the purposes of paying the expenses of the Fund issuing Units for allocation in connection with the reinvestment of distributions; and

(c) doing all acts and things necessary or advisable to effect the Fund's business as described in the Trust Agreement.

Material Agreements

The following material agreements have been entered into by the Fund since its formation, other than agreements entered into in the ordinary course of business:

(a) the Trust Agreement (see "Business of the Fund – Structure");

(b) the Fund Administration Services Agreement (see "Business of the Fund – Structure");

(c) the Custodial Services Agreement (see "Business of the Fund – Structure"); and

(d) the Portfolio Advisor Agreement (see "Business of the Fund – Structure").

Copies of the agreements referred to above may be inspected during normal business hours at the office of the Manager at 3200-1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3.

Fees and Expenses

The Fund is responsible for the payment of all fees and expenses relating to its operation, including our management fees and any performance fees, legal and audit fees, bookkeeping charges, accounting, transfer agency services, custodial charges, all services required in connection with the provision of information to Unitholders, brokerage fees and other fees and disbursements directly relating to transactions respecting the purchase, sale or other dealings in the securities or property comprising the investment portfolio of the Fund, any taxes or other governmental levies, charges and assessments imposed upon or against the Trustee in connection with the Fund or the property of the Fund, reasonable expenses associated with meetings of Unitholders and interest expenses (if any).

The Manager uses certain brokerage fees otherwise payable as soft dollars to purchase research to support its investment decision-making process. The Manager does not use soft dollars for any purpose other than for research services which are determined to be in the best interests of the Unitholders of the Fund. Soft dollars represent a very modest amount of the Manager's overall trading commissions, and the annual soft dollar budget is reviewed and approved by the Manager's compliance officer. The Manager monitors trade executions to ensure that all commissions, including soft dollar arrangements, are at competitive levels to satisfy its requirement to seek the best execution for all trades.

Sales and Redemption Charges for Class B Units

Investors in Class B Units can elect to purchase Class B Units pursuant to either the Sales Charge Option (as defined below) or the Redemption Charge Option (as defined below).

Class A Units and Class F Units are not subject to any sales or redemption charges.

Purchases under the Sales Charge Option

Under the sales charge option (the "**Sales Charge Option**"), a sales charge is deducted from the amount of the subscription and paid to the investor's registered dealer. The remaining amount is divided by the net asset value per Unit for the class of Units subscribed for, as described under "Securities Offered - Subscription Procedure", to determine the number of Units purchased. Sales charges are negotiable between investors and their registered dealers. The maximum sales charge for the Fund is 2% of the total amount invested. No sales charge applies to additional Units issued through the automatic reinvestment of distributions.

Purchases under the Redemption Charge Option

Under the redemption charge option (the "**Redemption Charge Option**"), the entire amount of an investor's subscription is applied to the purchase of Units at a price per Unit equal to their net asset value per Unit for the class of Units subscribed for, as described under "Securities Offered - Subscription Procedure", without deduction of a sales charge. The Manager or a third party provider will pay a selling commission of 5% to the investor's registered dealer in respect of Units purchased on this basis. No selling commission is paid for additional Units issued through the automatic reinvestment of distributions.

The following redemption charge will apply if the investor redeems Units (including Units issued through the automatic reinvestment of distributions paid on Units), or re-designates Units for Units of a different class without the Redemption Charge Option, within the following time periods after purchase:

Year(s) Since Purchased	Redemption Charge as a Percentage of the Cost of Units Redeemed/Redesignated
Year 1……………………………………………	5.5%
Year 2……………………………………………	5.0%
Year 3……………………………………………	4.5%
Year 4……………………………………………	4.0%
Year 5……………………………………………	3.0%
Year 6……………………………………………	2.0%
Year 7……………………………………………	1.0%
Thereafter…………………………………………..	Nil

The Redemption Charge Option may be modified or cancelled by the Manager at any time.

For purposes of calculating the redemption charge, the cost of a redeemed or re-designated Unit is the net asset value per Unit at which the Unit was originally acquired, subject to adjustment downwards when additional Units are issued through the automatic reinvestment of distributions.

The Manager may, in its discretion, from time to time permit a Unitholder to exchange Units subject to the Redemption Charge Option for units in another fund managed by the Manager while carrying over the Unitholder's redemption charge, subject to any stated investment limits.

DIRECTORS, MANAGEMENT, PORTFOLIO ADVISORS, PROMOTERS AND PRINCIPAL HOLDERS

Compensation and Securities Held

The table below outlines certain information regarding the Manager, each director and officer of the Manager, and each person who as at June 28, 2019 directly or indirectly, beneficially owned or controlled 10% or more of the Units of the Fund.

Name and municipality of principal residence	Position held / Date of obtaining that position	Compensation paid by the Fund in the year ended December 31, 2018	Number / % of units held as at June 28, 2019	Number / % of units expected to be held after this Offering
VERTEX ONE ASSET MANAGEMENT INC.	Manager, Portfolio Advisor and Promoter / November 1997	$2,537,361 (1)	Nil	-(2)
JOHN THIESSEN West Vancouver, BC	Director / November 1997	Nil(3)	Nil	-(2)

Name and municipality of principal residence	Position held / Date of obtaining that position	Compensation paid by the Fund in the year ended December 31, 2018	Number / % of units held as at June 28, 2019	Number / % of units expected to be held after this Offering
JEFFREY MCCORD West Vancouver, BC	Director / January 1998	Nil[(3)]	Nil	-[(2)]

(1) This amount is comprised of the management fee and performance fee paid to the Manager for its services. See "Business of the Fund – Management of the Fund – Fees".

(2) The Manager and the directors and officers of the Manager may acquire Units under this Offering Memorandum; however, the number of Units, if any, which may be acquired is not known.

(3) This individual is a director and shareholder of the Manager. Although he does not receive compensation from the Fund, the Manager does receive a management fee and performance fee for its services. See "Business of the Fund – Management of the Fund – Fees".

Management Experience

The senior management of the Manager have a broad background of investment and capital market experience which will be brought to bear on the activities undertaken by the Manager on behalf of the Fund. The following table discloses the principal occupations of the directors, senior officers and portfolio managers of the Manager for the past five years.

Name and Municipality of Principal Residence	Principal Occupations and Related Experience
JOHN THIESSEN West Vancouver, BC	Director of Vertex One Asset Management Inc. since November, 1997. Mr. John Thiessen is a founder and a director of the Manager. Mr. Thiessen has significant experience in the investment field with more than 20 years of equity, fixed income and arbitrage experience. He began his career with the Alberta Treasury Investment Management Division, moving on to a position as an investment officer with National Trust. He was a portfolio manager with HSBC Asset Management before forming the Manager. Mr. Thiessen holds the professional designation of Chartered Financial Analyst (CFA) and is a member of the Institute of Chartered Financial Analysts.
JEFFREY MCCORD West Vancouver, BC	Director of Vertex One Asset Management Inc. since January, 1998. Mr. Jeff McCord is a founder and a director of the Manager. He is responsible for business development and the operation of the Manager. He began his investment career as a financial advisor with Canada Trust and subsequently became responsible for managing high net–worth clients at HSBC Asset Management. Mr. McCord has extensive investment and business experience. He is a graduate of the University of Manitoba.

Portfolio Advisors

Pender has been appointed to act as the portfolio advisor to the Fund effective as of July 1, 2019. As of this date, Pender will have principal responsibility for the day-to-day portfolio management decisions of the Fund.

The following is a list of the portfolio management and investment professionals at Pender with responsibility for portfolio management decisions of the Fund, along with their titles, how long they have been working with Pender and their investment experience in the last five years:

Name	Title	Length of Service	Investment Experience for the Last Five Years
DAVID BARR North Vancouver, BC	President, Chief Executive Officer and Director	Since May 2003	President and Chief Executive Officer of Pender since April 2016; Chief Executive Officer of Pender Growth Fund Inc. since November 2006; Director of Pender since December 2007; Co-Chief Investment Officer of Pender from April 2016 to April 2017; and Chief Investment Officer of Pender from April 2009 to April 2016.
FELIX NARHI North Vancouver, BC	Chief Investment Officer and Director	Since July 2013	Chief Investment Officer of Pender since April 2017; Director of Pender since October 2017; Portfolio Manager of Pender since August 2013; and Co-Chief Investment Officer of Pender from April 2016 to April 2017.
GEOFF CASTLE North Vancouver, BC	Portfolio Manager	Since August 2015	Manager, Group Investments of Kestrel Holdings Ltd. from 2011 to 2014. Senior Credit Analyst of Powerex Corp. from 2009 to 2010. Manager, Research of McElvaine Investment Management from 2007 to 2009. Vice-President and Portfolio Manager of AIC Ltd. from 2006 to 2007.
AMAR PANDYA Vancouver, BC	Associate Portfolio Manager, Senior Investment Analyst	Since October 2017	Associate Portfolio Manager, Tetrem Capital Management Ltd. from January to September 2017. Investment Analyst, Tetrem Capital Management Ltd. from 2015 to 2017.

Summary of Portfolio Advisor Agreement

As noted above, Pender has been appointed to act as the portfolio advisor to the Fund. The following is a summary only of certain provisions of the Portfolio Advisor Agreement and does not purport to be complete. A copy of the Portfolio Advisor Agreement may be inspected during normal business hours at the office of the Manager. See "Business of the Fund – Material Agreements" above.

Appointment and Duties of the Portfolio Advisor

The Manager has appointed Pender to provide investment manager services to the Manager in respect of the investment assets of the Fund during the term of and in accordance with the Portfolio Advisor Agreement.

Pender shall provide investment management services to the Manager in respect of the Fund during the term of the Portfolio Advisor Agreement and shall:

(a) provide investment management, advice, analysis and recommendations with respect to the Investment Assets (as defined in the Portfolio Advisor Agreement) of the Fund;

(b) review and provide advice with respect to the Investment Mandate (as defined in the Portfolio Advisor Agreement) of the Fund and the Investment Restrictions and Practices (as defined in the Portfolio Advisor Agreement) applicable to the Fund;

(c) invest and reinvest the Investment Assets or any portion thereof of the Fund with complete discretion, including any cash balances, in accordance with the Portfolio Advisor Agreement;

(d) implement portfolio transactions respecting the Investment Assets of the Fund, including selection of market and broker or dealer and, where applicable, the negotiation of compensation for such dealers or brokers, and shall (i) promptly advise the Manager and the Custodian and any applicable subcustodian of the Investment Assets of the Fund of all portfolio transactions respecting such Investment Assets, and (ii) provide to the Manager on request such information relating to portfolio transactions respecting the Investment Assets of the Fund as the Manager may require for reports or filings with Securities Authorities (as defined in the Portfolio Advisor Agreement) or may reasonably require for disclosure in offering, marketing or promotional materials relating to the Fund. Provided the Investment Objective (as defined in the Portfolio Advisor Agreement) of the Fund is adhered to, Pender shall follow its trade allocation policy with respect to similar orders being made simultaneously for other portfolios managed by Pender;

(e) provide to the Manager, on request, such information as is reasonably necessary to the Manager to maintain records relating to the accounting for portfolio transactions of the Investment Assets of the Fund;

(f) provide or cause to be provided to the Manager such periodic reports with respect to the cost and current value of the Investment Assets as the Manager may reasonably request and such information regarding the activities of Pender as the Manager may from time to time reasonably request including, but not limited to, market, currency and economic overviews;

(g) participate to the extent reasonably required by the Manager in its marketing and promotional efforts or activities in respect of the Fund including, without limitation, road shows, seminars, conferences, conference calls and web casts, provided that the Manager shall pay the associated costs of Pender for such services;

(h) be available to discuss Pender's activities by telephone or in person as the Manager may reasonably request;

(i) determine whether and in what manner to vote, or execute proxies respecting the voting of, securities held in the Investment Assets of the Fund at all meetings of holders of such securities;

(j) determine whether to exercise any rights to acquire, convert or exchange into other securities, securities held in the Investment Assets of the Fund; and

(k) provide or cause to be provided, on request, such information regarding Pender's activities as the Manager may reasonably require for reports to security holders of the Fund, or such information as the Manager may require to meet Canadian Securities Laws (as defined in the Portfolio Advisor Agreement) requirements relating to the Investment Assets of the Fund, including National Instrument 81-106 *Investment Fund Continuous Disclosure*, as amended from time to time, which includes, without limitation, the preparation and disclosure of the Fund's annual proxy voting record on the Manager's website.

For greater certainty, Pender shall have no authority to (i) take or maintain possession of cash or securities of the Fund, or (ii) permit the account of the Fund to be overdrawn under any circumstances unless caused by excessive redemptions or a trade failure.

Policies, Rules and Restrictions

In carrying out its functions, Pender agrees to comply with:

(a) the Investment Mandate of the Fund;

(b) this Offering Memorandum;

(c) the terms of the Trust Agreement;

(d) the terms of all investment policies, guidelines and restrictions applicable to the Fund as determined by the Manager, and provided to Pender, from time to time, including the Manager's conflict of interest and fair allocation rules;

(e) the rules and customs of any exchange and/or clearing house through which transactions respecting the Investment Assets of the Fund are executed or settled; and

(f) Canadian Securities Laws applicable to the Fund.

Standard of Care

In exercising its duties, Pender is required to exercise its powers and authorities and carry out its functions honestly, in good faith and in the best interests of the Fund, and will exercise that degree of care, diligence and skill that a reasonably prudent portfolio advisor would exercise in comparable circumstances.

Fees

In consideration for the performance of the services provided by Pender pursuant to the Portfolio Advisor Agreement, the Manager has agreed to pay Pender an advisor fee calculated and payable as agreed by both of the Manager and the Pender in the most recent fee letter signed by both parties. This fee is paid by the Manager.

Termination

Pender and the Manager each have the right to terminate the Portfolio Advisor Agreement on 60 days' notice. Either party may terminate the Portfolio Advisor Agreement immediately and without compensation to the other party if: (i) the other party is guilty of fraud, unethical practice, overt violations of licensing or compliance obligations, or material violations of securities laws; (ii) the other party shall cease to carry on business, become bankrupt or insolvent, resolve to wind up or liquidate or if a receiver of any of its assets is appointed; or (iii) the other party is in material breach of its obligations (after having been given 60 days prior written notice of such breach and an opportunity to cure such breach during such 60 day period).

Penalties, Sanctions, and Bankruptcy

There are no penalties, sanctions, declarations of bankruptcy, voluntary assignments in bankruptcy, proposals under any bankruptcy or insolvency legislation or proceedings, arrangements or compromises with creditors, appointments of a receiver, receiver manager or trustee to hold assets, that have been in effect during the last ten years against or in connection with any of the directors, senior officers or control persons of the Fund or the Manager or any issuer of which any director, senior officer or control person of the Fund or the Manager was a director, senior officer or control person.

Loans

The Fund has not made or issued loans or debentures to, or received loans or debentures, from the Manager, any directors, officers or shareholders of the Manager, any Unitholders, or to any persons considered to be promoters of the Fund, and does not intend to make, issue or receive such loans or debentures in the future.

CAPITAL STRUCTURE

Share Capital

Description of security[(1)]	Number authorized to be issued	Number outstanding as at June 28, 2019[(2)]
Class A	Unlimited	4,208,485.905
Class B	Unlimited	1,595,529.422
Class F	Unlimited	3,141,006.694

(1) The attributes and characteristics of each class of Units are set forth under the heading "Securities Offered - Terms of Securities -Summary of Trust Agreement".

(2) As at June 28, 2019 the issued and outstanding Units had the following net asset values: Class A – $15.8296 per Unit; Class B – $5.9747 per Unit; Class F – $16.5287 per Unit.

Prior Sales

The table below discloses information regarding the Units that were issued at the month-end of the last 12 months from July 1, 2018 to June 28, 2019.

Description of Security	Number of Units Issued	Price per Unit
Class A Units	46,732.14	$20.9650
Class B Units	203,443.59	$8.4736
Class F Units	397,588.83	$21.9421

Within the 12 months from July 1, 2018 to June 28, 2019, an aggregate of 2,487,862.03 Class A Units, 661,524.77 Class B Units and 1,239,806.23 Class F Units have been redeemed for an aggregate gross redemption amount of $68,579,916.51.

SECURITIES OFFERED

Terms of Securities

An unlimited number of Class A, B and F Units of the Fund are being offered hereby on a continuous basis to investors in each of the provinces and territories of Canada pursuant to exemptions from the prospectus requirements contained in the securities legislation of those provinces and territories, and in the United States pursuant to exemptions from the registration requirements of the United States *Securities Act of 1933* (the "**U.S. Securities Act**") and the securities laws, rules and regulations of the various states. See "Subscription Procedure". Each Unit within a particular class will be of equal value, however, the value of a Unit in one class may differ from the value of a Unit in another class. The subscription price per Unit will be based upon the applicable net asset value of the Units as at the last business day of the month in which the subscription is received may vary from class to class. **Units may generally be redeemed at the end of any month. Redemption amounts will be paid out within five business days of the redemption date.** See "Summary of Trust Agreement".

The net asset value of the Units is determined in accordance with the Fund's Trust Agreement and is calculated by subtracting the aggregate amount of the total liabilities of the Fund attributable to each class, including accruing fees or liabilities as are to be taken into account as determined from time to time by the Manager (including any performance fee accruing in favour of the Manager) from the total assets of the Fund attributable to each class. The net asset value of the Fund is divided by the number of Units of each class outstanding (before Unit redemptions and subscriptions) at the close of business on a valuation day ("**Valuation Day**", as defined in the Trust Agreement) to determine the net asset value per Unit for each class.

Summary of Trust Agreement

The rights and obligations of the Manager are governed by the Trust Agreement. The following is a summary only of certain provisions of the Trust Agreement and does not purport to be complete. A copy of the Trust Agreement may be inspected during normal business hours at the office of the Manager. See "Business of the Fund – Material Agreements" above.

Head Office

The head office and the principal office of the administration of the Fund will be in Vancouver, British Columbia at the address of the Manager or at such other location as designated by the Manager.

Division of Fund into Units and Classes of Units

The beneficial interest in the Fund will be divided into interests of multiple classes each referred to as Units. Each Unit within a particular class will be of equal value, however, the value of a Unit in one class may differ from the value of a Unit in another class. Each class and its Units and fractions thereof will be issued only as fully paid and non-assessable. There will be no limit to the number of Units or the number of classes of Units that may be issued, subject to any determination to the contrary made by the Manager. No class of Unit or fraction thereof shall have any rights, preferences or priorities over any other Unit, except in respect of voting rights (See "Voting"). Please contact us or your dealer to confirm the classes of Units you are eligible to purchase.

Voting

Each Unitholder will be entitled to one vote for each whole Unit held by him. No holder of a fraction of a Unit, as such, shall be entitled to notice of, or to attend or to vote at, meetings of Unitholders. A holder of a Unit of one class shall not be permitted to notice of, or to attend or vote at, meetings of Unitholders of another class.

Net Asset Value Per Unit

The net asset value of each class of Units that comprise the Fund will be the then fair market value of the assets of the Fund attributable to each class of Units at the time the calculation is made less the aggregate amount of the liabilities of the Fund attributable to that class, including accruing fees or liabilities as are to be taken into account as determined from time to time by the Manager and the Trustee (including any performance fee accruing in favour of the Manager, at that time). The net asset value per Unit will be the quotient obtained by dividing the amount equal to the net asset value of each class of Units that comprise the Fund by the total number of Units of each class outstanding, including fractions of Units.

Price of Units

The subscription price per Unit of Units purchased pursuant to a subscription will be the net asset value per Unit determined on the Valuation Day on which the subscription is accepted and may vary from class to class.

Right to Redeem

A Unitholder shall be entitled to require payment of the net asset value of all or any of his Units by giving written notice to the Manager, which notice must contain a clear request that a specified number of Units of a specified class are to be redeemed or the dollar amount which the Unitholder is required to be paid, and the signature on the redemption notice must be guaranteed by a Canadian chartered bank, a trust company or a registered broker or securities dealer acceptable to the Manager. A redemption request must reach the Manager at its offices not later than the close of business ten business days prior to the Valuation Day on which the Units are intended to be redeemed.

Redemption Price and Payment

The proceeds payable on redemption will be the net asset value of the Units redeemed, which may vary from class to class, less any applicable redemption charges, determined on the Valuation Day next following receipt by the Manager of a redemption request, which net asset value will include allocated but undistributed income and realized capital gains. The Trustee will, within five business days after the next occurring Valuation Day, and subject to receipt of written notice in respect of redemption requests received by the Manager, arrange for the payment of the value of the Units being redeemed by mailing or delivering a cheque in the relevant amount in Canadian funds to the Unitholder.

Suspension of Redemption Right

The Manager may suspend, or continue suspension of the right of a Unitholder to require the Fund to redeem Units for any period during which normal trading is suspended on any stock exchange on which the securities that represent more than 50% by value of the gross assets of the Fund are then listed or with the consent of the appropriate securities regulatory authorities for any period during which the Manager determines that conditions are such that the disposal of the assets of the Fund is not reasonably practicable or it is not reasonably practicable to determine fairly the value of the Fund's assets.

Transfer of Units

A Unitholder of any class will be entitled to transfer, at any time, all or, subject to any minimum investment requirements for a particular class prescribed by the Manager and set forth in this Offering Memorandum (or other like document), any part of the Units registered in his or her name by giving written notice to the Manager. The notice must contain a clear request that a specified number of Units (or fractions of a Unit) be transferred and the full name and address of the transferee. The notice shall be irrevocable and the signature of the transferor shall be guaranteed by a Canadian chartered bank, a trust company or an investment dealer acceptable to the Manager and shall be accompanied by evidence satisfactory to the Manager that the proposed transferee is a resident Canadian.

The Recordkeeper may charge a fee to the transferor or the transferee to effect a transfer of Units. None of the Trustee, the Manager or the Fund shall have any obligation to ensure that any transfer of Units is made in accordance with applicable securities legislation, that any necessary filings with regulatory bodies having jurisdiction are made, or that any taxes payable in respect of a transfer are so paid.

Transfer between Classes of Units

A Unitholder of any class may be entitled to transfer, at any time, all or, subject to any minimum investment or other requirements for a particular class prescribed by the Manager and set forth in this Offering Memorandum (or other like document), any part of the Units of one class registered in its name to another class or classes of Units, by giving written notice to the Manager. The notice must contain a clear request that a specified number of Units (or fractions thereof) be transferred among the classes and provide detailed instructions regarding the class or classes of Units to be acquired. The signature on the transfer notice must be guaranteed by a Canadian chartered bank, a trust company or securities dealer acceptable to the Manager.

The Recordkeeper may charge a fee to the Unitholder to effect a transfer of Units among classes. As at the date of this Offering Memorandum, transfers between Class B and Class F Units will generally be permitted, subject to such transfers being in compliance with applicable securities laws. None of the Trustee, the Manager or the Fund shall have any obligation to ensure that any transfer of Units among classes is made in accordance with applicable securities legislation, that any necessary filings with regulatory bodies having jurisdiction are made, or that any taxes payable in respect of a transfer among the classes, if any, are so paid.

Powers and Duties of the Trustee

The Trustee, subject to the specific limitations contained in the Trust Agreement, has full, absolute, and exclusive power, control and authority over the assets of the Fund and over the business and affairs of the Fund to the same extent as if the Trustee was the sole owner thereof in its own right.

Powers and Duties of the Manager

The Trust Agreement grants the Manager exclusive power to manage and direct the investment of the assets of the Fund and the powers necessary to perform its duties. The Trustee has no responsibility for investment management of the securities or other property of the Fund or for any investment decisions.

Trustee, Custodian, Recordkeeper and Administrator Fees and Expenses

The Trustee, CIBC Mellon Trust Company (in its capacities as trustee and custodian) and CIBC Mellon Global (in its capacity as recordkeeper and fund administrator) are remunerated by the Fund at market rates for services provided to the Fund, and will be reimbursed by the Fund for expenses incurred while discharging their duties, in accordance with the applicable agreement.

Except as provided otherwise in the Trust Agreement, all expenses attributable to the Fund will be paid by the Fund.

Removal of Trustee

The Trustee may be removed by the Manager at any time by notice to the Trustee not less than 90 days prior to the date that such removal is to take effect provided a successor trustee is appointed or the Fund is terminated.

Status of Unitholders

The ownership of all property of the Fund of every description is vested in the Trustee and the right to conduct the affairs of the Fund are vested in the Trustee and the Manager, as set out in the Trust Agreement. The Unitholders have no interest in the property of the Fund other than their beneficial interest in the Fund conferred by their Units.

Liability of Unitholders

Under the terms of the Trust Agreement, no Unitholder of the Fund will be held to have any personal liability for any obligation or claim arising out of, or in connection with any contract or obligation of the Fund, the Manager, or the Trustee.

Unitholder Meetings

The Trustee or the Manager will convene a meeting of the Unitholders of the Fund upon the written request of the Manager or of Unitholders of a single class holding not less than 50% of the aggregate outstanding Units of the Fund, and upon receiving payment to its reasonable satisfaction for associated fees and costs.

Distribution of Income and Capital and Capital Gains to Unitholders

On the last valuation date in each calendar year (the "**Distribution Date**") the Trustee will determine the net income and net realized capital gains of each class of Units that comprise the Fund and such portions of the net income and net realized capital gains will be payable to the Unitholders (pro rata to the number of Units held by them respectively at the close of business on the record date, being the penultimate valuation date in each taxation year).

Manner of Payment

On and after each distribution date, such amount, if any, of net income and net realized capital gains payable to each Unitholder will be reinvested in additional Units or fractions of Units of the Fund of the same class as the Units held by the Unitholder, at the net asset value per Unit for that class calculated on the distribution date.

Investment by the Fund

The Trustee will from time to time sell any or all of such investments and reinvest the proceeds thereof or exchange any or all of such investment for other investments, always only in accordance with the directions of the Manager. It is the responsibility of the Manager to ensure that all investments of the assets of the Fund are made in such a way as to comply with any statement made in this Offering Memorandum as to the investment policies, practices and objectives and investment restrictions.

Subscription Procedure

Investors may purchase Units of the Fund through the Manager or through qualified dealers or brokers. Qualified dealers or brokers will send orders to the Manager at its principal office by courier or telecommunication facilities without charge to the investor on the day on which investor orders are placed.

The subscription price is payable upon subscription, by cheque or by bank draft. No financing of the subscription price will be provided by the Manager. As of the date of this Offering Memorandum, the minimum subscription price for initial investments is $25,000. We may in our discretion waive these minimum investment amounts established by us, accept investments in other minimum amounts permitted under applicable securities laws, or require higher minimum investment amounts.

Each prospective and qualified investor who desires to subscribe for Units must:

(a) complete and sign the form of subscription agreement in substantially the form provided by the Manager, specifying the number of Units being subscribed for;

(b) if the subscriber is a U.S. Person as that term is defined in Regulation S under the U.S. Securities Act, complete and sign the U.S. Certificate; and

(c) deliver to the Manager, in trust, a cheque or bank draft for the subscription price payable for the Units subscribed for, made payable to "CIBC Mellon Global Securities Services Company, in trust" (all such funds will be transferred to a Fund account on closing).

Subscriptions will be received subject to prior sale and acceptance of the investor's subscription, in whole or in part (subject to compliance with applicable securities laws), by the Manager on behalf of the Fund.

The purchase price per Unit will be an amount equal to the net asset value per Unit subscribed for and may vary from class to class. The net asset value per Unit for subscriptions which are received and accepted by the Manager before the close of business on a Valuation Day will be calculated as of that Valuation Day. The net asset value per Unit for subscriptions received and accepted after the close of business will be calculated on the next Valuation Day.

The subscription funds, subscription agreements and other documents received by the Manager will be held in trust and released upon closing. Where required pursuant to National Instrument 45-106 *Prospectus Exemptions* ("NI 45-106"), the subscription amount will be held in trust until the earlier of: (i) the time the purchase is processed; or (ii) midnight on the second business day after the investor signs a subscription agreement. Closings will occur on a continuous basis at the end of each month in which subscriptions are received.

Qualified Investors

The Manager is offering for sale an unlimited number of Units on a continuous basis in each of the provinces of Canada and its territories, by way of private placement.

The offering is being conducted:

(a) in the provinces of British Columbia, and Newfoundland and Labrador pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3, 2.9 and 2.10 of NI 45-106; and

(b) in the provinces of Alberta, Manitoba, New Brunswick, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan and in the Northwest Territories, Yukon and Nunavut pursuant to the exemptions from the prospectus requirements afforded by Sections 2.3 and 2.10 of NI 45-106.

The exemption pursuant to Section 2.3 of NI 45-106 is available for distributions to investors purchasing as principal and who are “accredited investors” as defined in NI 45-106.

The exemption pursuant to Section 2.9 of NI 45-106 is available for distributions only to investors in British Columbia, and Newfoundland and Labrador purchasing as principals, who receive this Offering Memorandum prior to signing the Subscription Agreement and who sign a risk acknowledgement in the prescribed form.

The exemption pursuant to Section 2.10 of NI 45-106 is available for distributions to investors, who are not individuals, purchasing as principals where the trade is made in a security that has an aggregate acquisition cost to the investor of not less than $150,000, paid in cash at the time of acquisition.

The foregoing exemptions relieve the Fund from the provisions of the applicable securities laws of each of the Provinces of Canada and the Northwest Territories and Nunavut, which otherwise would require the Fund to file and obtain a receipt for a prospectus. Accordingly, prospective investors for Units will not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by securities regulatory authorities.

The Fund may also use qualified dealers or brokers to sell Units of the Fund and may enter into non-exclusive agency agreements with such brokers or dealers in connection with such sales.

Acceptance of Subscriptions

Subscriptions received are subject to rejection or allotment in whole or in part by the Manager on behalf of the Fund within 30 days of their receipt by the Manager. The Manager reserves the right to close the subscription books at any time without notice. Confirmation of the acceptance of a subscription will be forwarded by the Manager to the investor. The Manager is not obligated to accept any subscriptions, and will reject any subscription which the Manager considers to be not in compliance with applicable securities laws and regulations. If any subscription is rejected, the Manager will return to the investor within 30 days after making the decision to reject the subscription, the Subscription Agreement, any other documentation delivered by the investor, and the subscription funds comprising such subscription.

Subject to the contractual rights of action, and a two day right of withdrawal for certain investors provided for herein, and subject to applicable securities laws, the investor’s subscription may not be withdrawn, cancelled, terminated or revoked by the investor for a period of 30 days from the date of receipt of the subscription by the Manager, unless previously accepted by the Manager.

Units of the Fund will be issued to an investor if a subscription agreement (a “**Subscription Agreement**”) substantially in the form prescribed by the Manager from time to time is received by the Fund and accepted by the Manager and if payment of the subscription price is made by cheque or bank draft. Units will be issued at a price per Unit equal to the net asset value per Unit as at the last business day of the month in which the subscription is received, subject in all cases to the minimum investment levels described above. An investor who subscribes for Units by executing and delivering a Subscription Agreement will become a Unitholder after the Manager accepts such subscription and the Fund has received the subscription price.

Additional Investments

Additional investments in the Fund are generally permitted, provided that the Unitholder's initial investment was equal to a minimum of $150,000 and the additional investment is for the same class or series as the initial investment and the Unitholder, as at the date of the subsequent trade, holds securities of the Fund that have an acquisition cost of not less than $150,000 or a net asset value of not less than $150,000. The minimum additional subscription is $1,000 or such greater amount as may be otherwise required to comply with applicable securities laws or as may be prescribed by the Manager.

Unit Certificates

No certificates evidencing ownership of the Units will be issued to a Unitholder. Following each purchase or redemption of Units, Unitholders will receive a written confirmation from the Trustee indicating details of the transaction including the class, number and dollar value of the Units purchased or redeemed, the net asset value per Unit and the class, number and dollar value of Units held by the Unitholder following such purchase or redemption.

Certain United States Securities Law Matters

The following is a summary only and is not intended to be exhaustive. Subscribers are advised to consult with their legal advisors concerning restrictions on resale, and are further advised against attempting to resell their Units until they have determined that any such resale is in compliance with the requirements of applicable legislation.

The Units offered hereby have not been and will not be registered under the United States *Securities Act of 1933*, as amended (defined above as the "**U.S. Securities Act**"). The Units will not be offered or sold in the United States, except that Units may be offered and sold to a limited number of "accredited investors" within the meaning of Rule 501 of Regulation D under the U.S. Securities Act and applicable United States securities laws, who execute and deliver to the Fund a subscription agreement, including a completed Accredited Investor Questionnaire and a U.S. Certificate, pursuant to the exemption from registration provided by Rule 506 of Regulation D under the U.S. Securities Act.

Each purchaser of Units that is a U.S. Person is required to represent that the Units are being acquired for its own account, for investment, and not with a view to resale or distribution. The Units are suitable investments only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume, and who have the financial resources necessary to withstand, the risks involved in the Fund's specialized investment program and to bear the potential loss of their entire investment in the Units. Each prospective purchaser is urged to consult with its own advisors to determine the suitability of an investment in the Units, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Units that is a U.S. Person is required to further represent that, after all necessary advice and analysis, its investment in Units is suitable and appropriate in light of the foregoing considerations.

The term "U.S. Person" as used in this Offering Memorandum is defined in Rule 902 of Regulation S under the U.S. Securities Act, which definition generally includes a natural person resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States.

Subscribers Resident in Other Jurisdictions

The Units offered pursuant to this Offering Memorandum may be offered in jurisdictions outside of Canada and the United States where permitted under applicable laws. The Manager reserves the right to reject subscriptions from persons resident in any jurisdiction on the basis that it is impossible or impractical to comply with the securities or other laws of such jurisdiction.

Trading and Resale Restrictions

General

This offering of Units is made only on a private placement basis to investors who are eligible to purchase on an exempt basis under, and subject to compliance with, applicable securities laws. **There is no market for the Units**, and you will not be able to trade or transfer your Units unless you comply with an exemption from the requirements of applicable securities legislation. **However, we note that securities legislation in Canada does contain exemptions that will permit you to redeem your Units.**

The transferability of the Units will also be subject to resale restrictions under applicable securities laws.

The Fund is not a reporting issuer in any of the provinces or territories of Canada, and does not intend to become reporting in any province or territory of Canada. The Units will be subject to an indefinite hold period.

Notwithstanding such indefinite hold period, and subject to approval by the Fund as referred to above, investors may be able to transfer between certain classes of Units, and to transfer Units to another person pursuant to another exemption from the prospectus requirements of applicable securities laws or pursuant to an order permitting such transfer granted by applicable securities regulatory authorities. Units of the Fund are not transferable without prior written consent of the Manager. Such consent may be withheld by the Manager at its discretion, and in any case will be withheld if such a transfer is not permitted by applicable laws. The Fund will be entitled to require and may require, as a condition of allowing any transfer of any Unit, the transferor or transferee, at their expense, to furnish to the Fund evidence satisfactory to it in form and substance (which may include an opinion of counsel satisfactory to the Fund) in order to establish that such transfer will not constitute a violation of the securities laws of any jurisdiction whose securities laws are applicable thereto.

Restrictions on Resales to U.S. Persons

No Unitholder may assign or transfer, or offer to sell, assign, or transfer all or any of its Units to a U.S. Person without the prior written consent of the Fund (which consent may be withheld for any reason) other than by will or the laws of intestacy and distribution. No U.S. Person transferee of Units will be admitted to the Fund without agreeing to the terms of the Trust Agreement and receiving the consent of the Fund, which consent may be withheld in the Fund's sole and absolute discretion. No purported transferee shall have any right to any profits, losses or distributions of the Fund. **Any attempt by a Unitholder to make any assignment or transfer in violation of the terms described in this section shall be null and void *ab initio* and of no legal force or effect whatsoever.**

The term "U.S. Person," as used in this Offering Memorandum, is defined in Rule 902 of Regulation S under the U.S. Securities Act, which definition generally includes a natural person resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations pursuant to the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder generally applicable to a Unitholder who is an individual (other than a trust) resident in Canada who holds the Units as capital property and deals at arm's length with the Fund. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is based upon the provisions of the Tax Act, and any regulations thereunder in force at the date hereof and the understanding of the current published administrative and assessing practices of the Canada Revenue Agency ("**CRA**") and takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) (the "**Tax Proposals**"). There can be no assurance that the Tax Proposals will be implemented in their current form or at all. No advance income tax ruling has been requested in respect of this offering. This summary does not otherwise take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the Unitholders' particular circumstances, including the province or provinces in which the Unitholder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units of the Fund or any Unitholder. You should consult your own professional advisors to obtain advice on the income tax consequences that may apply to you.

Status of the Fund

Mutual Fund Trust

The Fund qualifies as a "mutual fund trust" as defined in the Tax Act, and is expected to continue to so qualify effective at all material times. For the purposes of this summary, it is assumed that the Fund will continue to qualify as a "mutual fund trust" at all material times. In the event that the Fund did not qualify as a "mutual fund trust" at all material times, the income tax considerations would in some respects be materially different from those described below.

Provided that the Fund qualifies as a mutual fund trust as described above, the Units will be "qualified investments" as defined in the Tax Act for tax–deferred plans such as registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered education savings plans ("**RESPs**"), deferred profit savings plans ("**DPSPs**"), registered disability savings plans ("**RDSPs**") and tax free savings accounts ("**TFSAs**"). Investors should consult with their own tax advisors as to whether Units would be a "prohibited investment" as defined in the Tax Act, if held in their RRSP, RRIF, TFSA, RDSP or RESP.

Taxation of the Fund

Part I Tax

The Fund is subject to taxation in each taxation year on its net income for the year, including net realized capital gains, less the portion thereof that is paid or payable in the year to Unitholders and which is deducted by the Fund in computing its income for purposes of the Tax Act. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to distribute a sufficient part of its income and capital gains, if any, so that the Fund will not be subject to tax under Part I of the Tax Act. In certain circumstances, losses of the Fund may be suspended or restricted, and therefore will not be available to shelter income or capital gains.

Taxation of Unitholders

For Units Held Outside a Registered Tax Plan

Fund Distributions

Unitholders who are not exempt from tax under Part I of the Tax Act will generally be required to include in their income for a particular taxation year such part of the Fund's net income and the taxable portions of the Fund's net realized capital gains for tax purposes for the year as was paid or has become payable to them in that particular taxation year, notwithstanding that any such amount is reinvested in additional Units of the Fund (see "Summary of Trust Agreement - Distribution of Income and Capital and Capital Gains to Unitholders" and "Manner of Payment"). In certain cases, the Fund may apply net capital losses or non-capital losses from prior taxation years to reduce its net taxable income, thereby effectively permitting such amounts to be distributed as capital to Unitholders. In certain circumstances, losses in the Fund could be restricted, and therefore would be unavailable to shelter capital gains and income.

Where the Fund has received taxable dividends from a taxable Canadian corporation in the year, it may designate a pro rata share of such dividends to be taxable dividends received by the Unitholder from a taxable Canadian corporation in the year. To the extent that amounts are designated as taxable dividends, the applicable gross-up and dividend tax credit provisions will be applicable in respect of Unitholders who are individuals.

The Fund may make designations in respect of net taxable capital gains realized by it in the year, and foreign source income received in the year and foreign taxes paid in the year. Where applicable, Unitholders may apply capital losses against such capital gains and may claim the foreign tax credit in calculating tax payable.

Disposition of Units

A Unitholder's gain or loss from the disposition of a Unit (including a disposition by way of redemption) will generally be treated as a capital gain or loss. One–half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by the Fund in respect of a Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition as a taxable capital gain. Subject to certain specific rules in the Tax Act, one–half of any capital loss realized by a Unitholder may be deducted against any taxable capital gains realized by the Unitholder in the year of disposition, in the three preceding taxation years or in any subsequent taxation years.

To calculate a Unitholder's capital gain or loss for tax purposes, a Unitholder needs to know the adjusted cost base of a Unit. In general, a Unitholder's adjusted cost base of a Unit is determined by:

total amount the Unitholder paid for the units, plus

any reinvested distributions, minus

return of capital through distributions, minus

adjusted cost base of redeemed units, divided by

number of units held by Unitholder

Alternative Minimum Tax

Canadian dividends and taxable capital gains distributed by the Fund to, and taxable capital gains realized by, a Unitholder that is an individual may give rise to alternative minimum tax depending on the Unitholder's circumstances.

For Funds Held in a Registered Plan

Unitholders who hold Units in a registered plan do not need to pay tax on distributions paid by the Fund. Similarly, such Unitholders are not subject to tax on capital gains from redeeming Units.

Unitholders will be taxed at their personal tax rate upon withdrawal of monies from the registered tax plan (other than a TSFA or in certain circumstances, an RESP or RDSP).

Unitholders are responsible for determining the income tax consequences of acquiring Units of the Fund through a registered plan. Unitholders should consult their own professional advisors regarding the tax treatment of contributions to, withdrawals from and acquisitions of property by a registered plan.

Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the "**IGA**"), and related Canadian legislation, the Fund and/or registered dealers are required to report certain information (including certain financial information) with respect to unitholders who are U.S. tax residents and/or U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered plans such as RRSPs), to the Canada Revenue Agency ("**CRA**"). It is expected that the CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS**"), the Fund and/or registered dealers are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to Unitholders in the Fund who are tax residents in a country outstanding of Canada and the U.S. which has adopted the CRS (excluding registered plans such as RRSPs). The CRA is expected to provide that information to the authorities of the relevant jurisdiction that has adopted the CRS.

COMPENSATION PAID TO SELLERS AND FINDERS

Units will be distributed by qualified dealers or brokers in the applicable jurisdictions.

Service Fee

The service fee is a portion of the Manager's management fee that is shared with a qualified dealer or broker. A service fee will be paid to a qualified dealer or broker for ongoing advice and service provided by the dealers or brokers to their clients who have invested in the Fund. This service fee is payable by the Manager for as long as such broker's or dealer's clients' investments remain in the Fund. Qualified brokers or dealers will not charge the investor a commission or fee on the redemption of Units.

Service fees will be calculated and payable by the Manager at least semi-annually to qualified dealers or brokers for salespersons of the qualified dealer or broker with client assets invested in the Fund having an aggregate net asset value of not less than $100,000. Service fees will be based on the aggregate value of the clients' investments in the Fund an annual rate of 0.75% for Class A Units and 0.90% for Class B Units. No service fees are paid for Class F Units. Service Fees may be modified or discontinued by the Manager at any time.

Other Fees

The Manager may from time to time elect to share up to 10% of the performance fee collected with approved dealers in respect of Units held by clients of certain approved salespersons.

As noted above, the Manager has agreed to pay Pender an advisor fee calculated and payable as agreed by both of the Manager and the Pender. This fee is paid by the Manager. See "Directors, Management, Portfolio Advisors, Promoters and Principal Holders – Portfolio Advisors – Summary of Portfolio Advisory Agreement – Fees".

RISK FACTORS

Investment in the Units is speculative due to the nature of the Fund's business and involves certain risk factors. There is no guarantee that an investment in Units of the Fund will earn any positive return in the short or long term and investors must be able to bear the risk of a complete loss of their investment. The following risks should be carefully evaluated by prospective investors.

Business Risk. While the Manager believes that the Fund's investment policies will be successful over the long term, there can be no guarantee against losses resulting from an investment in Units of the Fund and there can be no assurance that the Fund's investment approach will be successful or that its investment objectives will be attained. The Fund could realize substantial losses, rather than gains, from some or all of the investments described herein.

Liquidity. An investment in the Fund provides limited liquidity. The Units are subject to indefinite resale restrictions under applicable securities laws. Unitholders may redeem their Units on the last day of each month. The Manager may take up to five business days after month–end to pay out any such redemption.

Net Asset Value. The net asset value of each class of Units will fluctuate with changes in the market value of the investments. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to international investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the Fund.

Concentration Risk. The pursuit of the Fund's investment strategies, as described above under "Business of the Fund – Our Business", may require investments to be concentrated in a particular sub–set of issuers. Unlike many mutual funds, the Fund is not subject to applicable securities laws that require them to diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any one industry or group of industries. The value of a more concentrated fund may be more volatile than the value of a more diversified investment fund because a concentrated fund is more affected by individual issuers and securities.

Derivatives. Derivatives for hedging and other investment purposes will be used by the Fund only to the extent that the Manager considers appropriate and as described above under "Business of the Fund – Investment Objective, Strategies, Policies and Restrictions". Hedging involves special risks including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. The use of currency hedging could result in the Fund incurring losses as a result of the imposition of exchange controls, suspension of settlements, or the inability to deliver or receipt a specified currency.

Hedging against changes in the value of currency does not eliminate fluctuations in the prices of portfolio securities and does not prevent losses if the prices of such securities decline. Hedging may also limit the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for the Fund to enter into transactions which hedge against generally anticipated changes in currencies. The use of currency hedging could result in the Fund incurring losses as a result of the imposition of exchange controls, suspension of settlements, or the inability to deliver or receipt a specified currency.

The use of options entails certain special risks. Call options will not protect the Fund from declines in the value of the underlying security and may limit the Fund's potential to realize a gain on the value of the underlying security. The Fund may also forego potential returns resulting from any price appreciation of the security underlying the option above the exercise price in favour of the certainty of receiving the option premium. Purchasing call options may expose the Fund to losses if the value of the underlying security has decreased compared to the transaction price at which the Fund may purchase the security. Selling put options may expose the Fund to losses if the value of the underlying security has decreased when compared to the transaction price that the Fund must purchase the security. Purchasing put options on securities exposes the Fund to losses if the value of the underlying security has increased in value when compared to the transaction price at which the Fund may sell the security. Options markets could be illiquid in some circumstances and certain over-the counter options could have no markets. There can be no assurance that a market will exist to permit the Fund to realize its profits or limit its losses by closing out certain positions. If the Fund is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires or the forward contract terminates, as the case may be. The ability of the Fund to close out a position may be affected by exchange imposed daily trading limits on options. The change in volatility of an option may change the value associated with the option and the proceeds that the Fund may receive from the sale of that option.

Illiquid Securities. A portion of the Fund's assets may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under local governmental securities laws or practices. The sale of any such investments may be subject to delays and additional costs and may be possible only at substantial discounts.

Short Sale Equity Positions. The Fund may take short sale positions without maintaining an equivalent quantity, or a right to acquire an equivalent quantity, of the underlying securities in its portfolio. While the Manager will engage in these transactions predominantly for hedging purposes, there can be no assurance that the security will experience declines in market value and this could result in the Fund incurring unlimited losses if it has agreed to deliver securities at a price which is lower than the market price at which such securities may be acquired at the time the transaction is to be completed. The Manager may selectively engage in transactions which limit the potential liability of the Fund for unanticipated shifts in the market value of these securities. The use of short sales requires the use of margin which will only be used in accordance with the rules of IIROC.

Portfolio Turnover. The operation of the Fund may result in a high annual portfolio turnover rate. The Fund has not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate (e.g., greater transaction costs such as brokerage fees).

Counterparty Risk. The Fund bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements in the event of the default or bankruptcy of a counterparty to such contracts or agreements.

Interest Rate Fluctuations. In the case of interest rate sensitive securities, the value of a security may change as the general level of interest rates fluctuates. When interest rates decline, the value of such securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline.

Low Rated or Unrated Debt Obligations. A portion of the Fund's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher grade issuers, but typically involve greater risk.

Conflicts of Interest. The Fund may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide variety of management, advisory and other business activities. The Manager's investment decisions for the Fund will be made independently of those made for the other clients of the Manager and independently of its own investments. However, on occasion, the Manager may make the same investment for the Fund and one or more of its other clients. Where the Fund and one or more of the other clients of the Manager are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. The Manager will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios, the relative size and rate of growth of the Fund and the other funds under common management and such other factors as the Manager considers relevant in the circumstances.

Involvement in Other and Competing Activities. The Manager, its respective officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Fund. Investment in the Fund will not carry with it the right of the Fund or of any Unitholder to invest in any other venture of the Manager or its affiliates or associates or to any profit therefrom or to any interest therein. The Manager may have a conflict of interest in carrying out its obligations to the Fund as a result of its involvement in competing activities.

Competition for Services. The Fund will not have independent management and will rely upon the Manager to manage the business of the Fund and to provide managerial skill. The directors and officers of the Manager may have a conflict of interest in allocating their time between the business of the Manager and the Fund, and other businesses or projects in which they may become involved. The directors and officers of the Manager have, however, agreed to devote as much time to the Fund as is required for the effective management of the Fund.

Reliance on Management. The success of the Fund will be entirely dependent upon the efforts of the Manager.

No Assurance of Return. Although the Manager will use its best efforts to achieve superior rates of return for the Fund, no assurance can be given in this regard. An investment in Units should be considered as speculative and investors must be able to bear the risk of a complete loss of their investment.

Investment Eligibility. There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of Units. If the Fund ceases to qualify as a "mutual fund trust", the Units will cease to be qualified investments for trusts governed by RRSPs, RRIFs, RESPs, DPSPs, RDSPs and TFSAs under the Tax Act. The Tax Act imposes penalties for the acquisition or holding of non–qualified investments.

Investments in Unsecured Indebtedness. The Fund may invest, from time to time, in unsecured debt obligations of small capitalization companies. In the event of a default in the repayment of these obligations, the Fund's investment in such indebtedness may be lost in whole or in part.

Lack of Separate Counsel. Counsel for the Fund in connection with this offering is also counsel to the Manager. The Unitholders, as a group, have not been represented by separate counsel and counsel for the Fund and the Manager does not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

International Investment. The risk of loss on foreign investments may be greater than risks associated with Canadian investments as there is often less information available about foreign companies than about domestic companies due to the fact that many foreign companies are not subject to the uniform and extensive accounting, auditing and financial reporting standards and practices, government supervision and regulation and other disclosure requirements which apply to companies in Canada. Additionally, the Fund's foreign investment may be subject to foreign investment and exchange control laws, foreign withholding tax, or the risk of possible expropriation or imposition of confiscatory taxation. In addition, foreign stock markets may be less liquid and more volatile than the North American stock markets, trade and settlement practices are often not as developed and corporate actions are often not as controlled. Any foreign investments will have risks associated with changes in foreign exchange rates and, possibly, restriction on the repatriation of funds or dividends.

Limited U.S. Regulation. The offering and sale of the Units has not been registered under the U.S. Securities Act or any similar United States state law, in reliance upon various exemptions therefrom. In addition, the Fund is not registered under the United States *Investment Company Act of 1940*, as amended (the "**U.S. Investment Company Act**"). Accordingly, Unitholders will not have the benefits afforded generally by the provisions of the U.S. Investment Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the advisor and the investment company). The Manager is exempt from registration with the United States Securities and Exchange Commission pursuant to the United States *Investment Advisers Act of 1940*, as amended, and is not subject to the recordkeeping and other requirements thereunder.

U.S. Tax Implications. An investment in the Fund by a person subject to taxation under the United States *Internal Revenue Code of 1986*, as amended, may have United States tax consequences not discussed in the summary of "Certain Canadian Federal Income Tax Considerations" contained herein. Such taxpayers should consult their tax advisors about the income tax consequences of acquiring or holding Units.

Limited Resources of Manager. The Manager has no obligation to fund any operating deficits resulting from the business of the Fund or to advance funds to continue the business operations of the Fund. Even if the Manager should elect to do so voluntarily or be held individually accountable by Fund creditors, its available assets will likely not be adequate to satisfy the capital needs of continuing business operations. The Manager has no equity and, consequently no capital resources. If Fund revenues are insufficient to pay Fund expenses after expending the funds obtained from this offering and if the Manager does not advance such additional funds as may be needed by the Fund, the Fund may not be able to continue its business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Fund.

Loss Restrictions. If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which could result in the Fund being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of the Fund if the Fund qualifies as an "investment fund" under the rules including that it meets certain investment requirements.

Cyber Security Risk. As the use of technology has become more prevalent in the course of business, the Fund has become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Fund's third party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) or of issuers the Fund invests in can also subject the Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Fund has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Fund does not directly control the cyber security systems of issuers or third party service providers.

REPORTING OBLIGATIONS

As a Unitholder of the Fund you will be entitled to receive copies of the Fund's audited financial statements and interim financial statements for the first six months of each fiscal year of the Fund. The Fund is not a reporting issuer in any of the provinces or territories of Canada and does not intend to become a reporting issuer in any province or territory of Canada.

RESALE RESTRICTIONS

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation. **However, we note that securities legislation in Canada does contain exemptions that will permit you to redeem your Units.** See "Securities Offered – Summary of Trust Agreement – Redemption Price and Payment".

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Fund becomes a reporting issuer in any Canadian province or territory. The Fund is not currently a reporting issuer in any of the provinces or territories of Canada and does not intend to become reporting in any province or territories of Canada.

Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

1. the Fund has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or

2. you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

PURCHASERS' RIGHTS

The securities laws in your jurisdiction may provide you with the right, in certain circumstances, to seek damages or to cancel your agreement to buy Units. Most often, these rights are available if we make a misrepresentation in this Offering Memorandum, but in some jurisdictions, you may have these rights in other circumstances including if we fail to deliver the Offering Memorandum to you within the required time or if we make a misrepresentation in any advertisements or sales literature regarding units. Generally, a "misrepresentation" means an untrue statement about a material fact or the failure to disclose a material fact that is required to be stated or that is necessary in order to make a statement not misleading in light of the circumstances in which it was made. The meaning of "misrepresentation" may differ slightly depending on the law in your jurisdiction. In most jurisdictions there are defences available to the persons or companies that you may have a right to sue. In particular, in many jurisdictions, the person or company that you sue, will not be liable if you knew of the misrepresentation when you purchased the securities.

If you purchase units, you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

Two Day Cancellation Right for Investors

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Fund by midnight on the second business day after you sign the agreement to buy the securities.

Investors in British Columbia, Alberta, Manitoba, Prince Edward Island, and Nova Scotia

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) to cancel your agreement to buy these Units; or

(b) for damages against the Fund and for damages against the Manager, every person who was a director of the Manager at the date of this Offering Memorandum, and any other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the Units.

Forward-looking information

In each jurisdiction, defendants will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

(a) this Offering Memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In British Columbia, Alberta, and Prince Edward Island, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

In Manitoba, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) two years after the day of the transaction.

In Nova Scotia, you must commence your action to cancel your agreement within 120 days after the transaction.

Investors in Ontario and New Brunswick

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to:

(a) cancel your agreement to buy these Units; or

(b) sue for damages against the Fund and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if they prove that you knew of the misrepresentation when you purchased the Units.

In both jurisdictions, the defendant will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

(a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In New Brunswick, you must commence your action to cancel the agreement within 180 days after the transaction or commence your action for damages within the earlier of: (i) one year after you knew of the misrepresentation, or (ii) six years after the transaction.

In Ontario, you must commence your action to cancel the agreement to purchase Units within 180 days after you signed the agreement to purchase the Units or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after you signed the agreement to purchase the Units.

Investors in Newfoundland and Labrador, Northwest Territories, Nunavut and the Yukon

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue: (i) to cancel your agreement to buy these Units; or (ii) for damages against the Fund, the Manager, every person who was a director of the Manager at the date of this Offering Memorandum, any other person who signed this Offering Memorandum and a selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the Fund should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Units.

Forward-looking information

Defendants will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

(a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Time limitations

If you intend to rely on the rights described above, you must do so within strict time limitations.

In each Newfoundland & Labrador, the Northwest Territories, Nunavut, and the Yukon, you must commence your action to rescind your agreement to purchase Units within 180 days after you signed the agreement to purchase the Units or commence your action for damages within the earlier of: (i) 180 days after learning of the misrepresentation, or (ii) three years after the transaction.

Investors in Saskatchewan

Statutory rights in the event of a misrepresentation

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, you have a statutory right to:

(a) to cancel your agreement to buy these Units; or

(b) sue for damages against the Fund, the Manager (or any other "promoter" of the Fund), any director of the Manager (who was a director at the time the Offering Memorandum was delivered to you), any person who signed the Offering Memorandum, any person or company that sold Units to you under this Offering Memorandum on behalf of the Fund or any selling security holder on whose behalf the distribution is made.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, you cannot then sue for damages. In addition, in an action for damages, the defendant will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of your Units as a result of the misrepresentation. Furthermore, the amount recoverable in an action for damages will not exceed the price at which the Units were offered. There are various defences available to the Fund should you exercise a right to sue. For example, it has a defence if you knew of the misrepresentation when you purchased the Units.

Statutory rights regarding advertising and sales literature

If there is a misrepresentation in any "advertising" or "sales literature" (as defined in *The Securities Act, 1988* (Saskatchewan)) that is disseminated in connection with your purchase of Units and it was a misrepresentation at the time you purchased your Units, you will have a right to sue for damages, regardless of whether you relied on the misrepresentation or not, against the Fund, the Manager (or any other "promoter" of the Fund), any director of the Manager (who was a director at the time the advertisement or sales literature was disseminated) and any person who, at the time the advertisement or sales literature was disseminated, was selling Units on behalf of the Fund, or, if you still own your Units, and you purchased your Units directly from the Fund, you can elect to cancel your agreement instead of suing for damages.

If there is a misrepresentation in a verbal statement made to you about Units of the Fund either before or at the time that you purchased your Units and it was a misrepresentation at the time you purchased your Units, you will have a right to sue the person who made the statement to you for damages, regardless of whether you relied on the misrepresentation in making the purchase.

There are various defences available to the persons or companies that you have a right to sue. For example, they have a defence if you knew of the misrepresentation when you purchased the Units.

Statutory rights for failure to deliver the Offering Memorandum

If you reside in Saskatchewan and you do not receive a copy of this Offering Memorandum before you sign your subscription agreement, you have a right to sue for damages, or if you still own your Units, you can choose to cancel your agreement instead of suing for damages.

Statutory rights if vendor not entitled to trade

If you reside in Saskatchewan and the person or company who sells you your Units is selling in contravention of securities laws of Saskatchewan or in contravention of an order of the Saskatchewan Financial Services Commission, you may choose to void your contract or to recover all the money paid by you for your Units.

Time limitations

If you intend to rely on the rights described above paragraph (a) or (b), you must do so within strict time limitations.

In Saskatchewan, you must commence an action to cancel your agreement not more than 180 days after the day you purchased your Units or commence your action for damages within the <u>earlier of</u>: (i) one year from the date that you had knowledge of the facts giving rise to the cause of action; and (ii) six years after the transaction.

Investors in Quebec

In addition to any other right or remedy available to you at law, if there is a misrepresentation in this Offering Memorandum together with any amendments to the Offering Memorandum, and regardless of whether you relied on this misrepresentation in making your purchase decision, you have a statutory right to:

(i) a right of action against the Fund to cancel the purchase contract or revision of the price at which the Units were sold to you; <u>or</u>

(ii) a right of action for damages against the Fund, every officer and director of the Manager, the dealer (if any) under contract to the Fund and any expert whose opinion, containing a misrepresentation, appeared with the expert's consent in this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. If you choose to rescind your purchase, such a choice is not prejudicial to any claim of damages. There are also various defences available to the Fund and other defendant parties should you exercise a right to sue. Specifically, no person or company will be liable to you if it proves that you purchased the Units with knowledge of the misrepresentation, nor if that person or company acted prudently and diligently (except in an action brought against the Fund).

Forward-looking information

Defendants will not be liable for a misrepresentation in forward-looking information if the Fund proves that:

(a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the Fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

Limitation Periods

If you intend to rely on the rights described above, you must do so within strict time limitations.

In Quebec, no action may be commenced to enforce such a right of action:

1. for rescission or revision of price, more than three years after the date of the purchase; or

2. for damages, <u>the later of</u>: (i) three years after you first had knowledge of the facts giving rise to the cause of action, except on proof of tardy knowledge is imputable to your negligence, or (ii) five years from the filing of the Offering Memorandum with the *Autorité des marches financier*, if applicable

Investors in the U.S. and Other Jurisdictions outside Canada

The distribution of this Offering Memorandum and the offering or sale of the Units in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Fund to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute an offer or solicitation to sell or a solicitation of an offer to buy, nor will there be any offer, solicitation or sale of the Units in any jurisdiction in which such offer, solicitation or sale is not authorized or to any person to whom it is unlawful to make any such offer, solicitation or sale. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement, and the offering contemplated in this Offering Memorandum is not, and under no circumstances is it to be construed as, a public offering of the Units in the United States.

The information in this Offering Memorandum is as of the date hereof and is subject to change or amendment. The delivery of this Offering Memorandum as of any subsequent date does not imply that there has been no change or amendment in the contents hereof.

The Fund will make available to any prospective purchaser of the Units such additional information as it may possess, or as it can acquire without unreasonable effort or expense, to verify or supplement the information set forth herein.

FINANCIAL STATEMENTS OF
VERTEX MANAGED VALUE PORTFOLIO

Vertex Managed Value Portfolio

Annual Financial Statements

December 31, 2018

Independent auditor's report

To the Unitholders and Trustee of
Vertex Managed Value Fund (the Fund)

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2018 and 2017;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the

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preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 8, 2019

Vertex Managed Value Portfolio

Statements of Financial Position

As at December 31

		2018		2017
Assets				
Current assets				
Investments	**$**	**134,070,067**	$	255,631,461
Cash		**23,910,119**		832,176
Due from broker		**1,048,187**		-
Accrued interest		**551,631**		217,025
Dividends receivable		**73,331**		74,901
Subscriptions receivable		**1,390,514**		1,495,723
Derivative financial instruments				
Options		**23,618**		4,696,843
		161,067,467		262,948,129
Liabilities				
Current liabilities				
Management fees payable (Note 9)	**$**	**135,601**	$	263,400
Accrued performance fees (Note 9)		**-**		531,555
Redemptions payable		**4,028,979**		2,893,757
Due to broker		**4,456,362**		-
Derivative financial instruments				
Written Options		**-**		55,987
		8,620,942		3,744,699
Net Assets attributable to holders of redeemable units	**$**	**152,446,525**	$	259,203,430
Net Assets attributable to holders of redeemable units per Class				
Class A	**$**	**79,406,530**	$	138,636,375
Class B	**$**	**11,478,925**	$	18,525,494
Class F	**$**	**61,561,070**	$	102,041,561
Net Assets attributable to holders of redeemable units per unit				
Class A	**$**	**17.02**	$	26.77
Class B	**$**	**6.46**	$	10.26
Class F	**$**	**17.78**	$	27.95

Approved on behalf of the Board of Directors of Vertex One Asset Management Inc., the Investment Manager

"Signed"	"Signed"
John W. Thiessen	Jeffrey McCord
Director	**Director**

(The accompanying notes are an integral part of the financial statements.)

Vertex Managed Value Portfolio

Statements of Comprehensive Income

For the years ended December 31

		2018		2017
Investment income				
Foreign exchange gain (loss) on cash	**$**	**166,095**	$	(1,032,243)
Change in unrealized foreign exchange gain on cash		**119,623**		960,396
Security lending income		**121,153**		-
Net gain (loss) on investments and derivatives				
Dividends		**1,711,073**		1,829,091
Interest for distribution purposes		**610,604**		1,173,488
Net realized loss (gain)		**(5,990,318)**		48,004,355
Net change in unrealized depreciation		**(83,211,120)**		(34,699,830)
Net gains/losses on financial instruments at fair value through profit or loss		**(86,472,890)**		**16,235,257**
Expenses (Note 9)				
Management fees		**2,537,361**		2,927,423
Securities borrowing fees		**6,979**		569
Performance fees		**-**		493,535
Securityholder reporting costs		**76,395**		62,161
Other administrative expenses		**71,196**		68,562
Audit fees		**57,194**		50,465
Custody fees		**43,701**		43,543
Legal fees		**4,629**		7,996
Trustee fees		**5,709**		4,841
Interest expense		**204**		177
Transaction costs		**247,803**		357,621
Withholding tax		**56,494**		92,695
Total expenses		**3,107,665**		**4,109,588**
(Decrease) increase in net assets attributable to holders of redeemable units		**(89,580,555)**		**12,125,669**
(Decrease) increase in net assets attributable to holders of redeemable units per Class				
Class A	**$**	**(48,029,754)**	$	6,641,465
Class B	**$**	**(6,937,710)**	$	776,312
Class F	**$**	**(34,613,091)**	$	4,707,892
Decrease (increase) in net assets attributable to holders of redeemable units per Class per unit				
Class A	**$**	**(9.55)**	$	1.27
Class B	**$**	**(3.82)**	$	0.42
Class F	**$**	**(10.00)**	$	1.26

(The accompanying notes are an integral part of the financial statements.)

Vertex Managed Value Portfolio

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31

	Class A		Class B	
	2018	2017	2018	2017
Net Assets attributable to holders of redeemable units, beginning of year	$ 138,636,375	$ 148,205,008	$ 18,525,494	$ 19,304,732
(Decrease) increase in net assets attributable to holders of redeemable units	(48,029,754)	6,641,465	(6,937,710)	776,312
Capital transactions (Note 8)				
Proceeds from issuance of redeemable units	3,504,162	5,879,769	3,305,663	1,953,719
Redemption of redeemable units	(14,704,253)	(22,089,867)	(3,414,522)	(3,509,269)
Reinvestment of distributions to holders of redeemable units	-	8,556,448	-	1,041,433
	(11,200,091)	(7,653,650)	(108,859)	(514,117)
Distributions to holders of redeemable units (Note 9)				
From net realized gains	-	(8,556,448)	-	(1,041,433)
	-	(8,556,448)	-	(1,041,433)
Net Assets attributable to holders of redeemable units, end of year	$ 79,406,530	$ 138,636,375	$ 11,478,925	$ 18,525,494

	Class F		Total	
	2018	2017	2018	2017
Net Assets attributable to holders of redeemable units, beginning of year	$ 102,041,561	$ 104,359,506	$ 259,203,430	$ 271,869,246
(Decrease) increase in net assets attributable to holders of redeemable units	(34,613,091)	4,707,892	(89,580,555)	12,125,669
Capital transactions (Note 8)				
Proceeds from issuance of redeemable units	11,625,351	15,227,790	18,435,176	23,061,278
Redemption of redeemable units	(17,492,751)	(22,253,316)	(35,611,526)	(47,852,452)
Reinvestment of distributions to holders of redeemable units	-	5,551,055	-	15,148,936
	(5,867,400)	(1,474,471)	(17,176,350)	(9,642,238)
Distributions to holders of redeemable units (Note 9)				
From net realized gains		(5,551,366)	-	(15,149,247)
	-	(5,551,366)	-	(15,149,247)
Net Assets attributable to holders of redeemable units, end of year	$ 61,561,070	$ 102,041,561	$ 152,446,525	$ 259,203,430

(The accompanying notes are an integral part of the financial statements.)

Vertex Managed Value Portfolio

Statements of Cash Flows

For the years ended December 31

	2018	2017
Operating activities		
(Decrease) increase in net assets attributable to holders of redeemable units	$ (89,580,555)	$ 12,125,669
Adjustment for non-cash items:		
Net change in unrealized appreciation on investments and derivatives	83,211,120	34,699,830
Net realized loss (gain) on investments and derivatives	5,990,318	(48,004,355)
Change in unrealized foreign exchange loss on cash (bank overdraft)	(119,623)	(960,396)
	(498,740)	(2,139,252)
Changes in operating assets and liabilities:		
Decrease (increase) in accrued interest	(334,606)	148,919
Decrease (increase) in dividends receivable	1,570	(17,072)
(Decrease) increase in management fee payable	(127,799)	7,923
Decrease in accrued performance fees	(531,555)	(11,391,461)
	(992,390)	(11,251,691)
Proceeds on disposition of investments and derivatives, including proceeds received on shorts	111,494,434	136,157,447
Purchase of investments and derivatives, including cover for shorts	(71,109,065)	(110,661,162)
	40,385,369	25,496,285
Net cash from operating activities	38,894,239	12,105,342
Financing activities		
Proceeds from issuance of redeemable units**	15,735,756	23,309,213
Redemption of redeemable units**	(31,671,675)	(44,210,746)
Distributions paid net of reinvestments	-	(311)
Net cash provided to financing activities	(15,935,919)	(20,901,844)
Increase (Decrease) in Cash	22,958,320	(8,796,502)
Change in unrealized foreign exchange loss on cash (bank overdraft)	119,623	960,396
Cash*, Beginning of the year	832,176	8,668,282
Cash*, End of the year	$ 23,910,119	$ 832,176
Supplemental Information (included in operating activities)		
Cash paid for interest	204	177
Cash received from interest, net of withholding taxes	275,998	1,322,407
Cash received from dividends, net of withholding taxes	1,656,149	1,719,324

* Cash includes cash pledged as collateral, if any

** The amounts of proceeds and redemptions exclude non cash items such as switches and exchanges between classes for the year ending December 31, 2018 amounting to $2,804,629 (December 31, 2017 - $2,669,285)

(The accompanying notes are an integral part of the financial statements.)

Vertex Managed Value Portfolio

Schedule of Investments

As at December 31, 2018

Number of Shares/ Par Value	Description	Coupon Rate %	Maturity Date	Average Cost $	Fair Value $	% of Total
	BONDS					
	Corporate Bonds					
2,257,390	1784761 Alberta Ltd.*	12.000%	1-Aug-19	2,257,389	-	
250,000	ACGT DNA Technologies Corp.*	10.000%	30-Jun-19	250,000	246,850	
2,101,006	Agawa Investments Ltd.*	10.000%	7-Aug-25	2,101,005	2,144,706	
1,250,000	Core Gold Inc.*	12.000%	31-Mar-19	1,489,072	1,330,251	
370,000	Enerpulse Technologies, Convertible*	6.000%	19-Feb-18	462,889	51	
202,274	Inca One Gold Corp.*	12.000%	31-Aug-26	-	-	
2,500,000	Offshore Group Investment Ltd., Escrow*	7.500%	1-Nov-19	-	-	
400,000	Rockshield Engineered Wood Products ULC*	18.000%	15-Sep-17	400,000	314,560	
150,000	Rockshield Engineered Wood Products ULC*	18.000%	31-Dec-18	150,000	-	
374,540	Rockshield Engineered Wood Products ULC, Convertible*	30.000%	31-Jan-18	374,540	-	
143,366	Rockshield Engineered Wood Products ULC*	30.000%	28-Feb-18	143,366	-	
183,763	Rockshield Engineered Wood Products ULC, Convertible*	30.000%	15-Nov-18	183,763	-	
1,417,500	TGC Lending Inc.*	6.000%	31-May-20	1,417,500	1,278,585	
500	Wolverine Energy and Infrastructure Inc., Restricted*	9.000%	31-Dec-21	500,000	500,000	
	Total Corporate Bonds			9,729,524	5,815,003	3.81
	Provincial Bonds & Guarantees					
124,000	Province of Newfoundland and Labrador, Zero Coupon	0.000%	17-Apr-21	111,730	117,506	
	Total Provincial Bonds & Guarantees			111,730	117,506	0.08
	TOTAL BONDS			9,841,254	5,932,509	3.89
	STOCKS					
	CONSUMER DISCRETIONARY					
157,535	Century Communities Inc.			3,802,348	3,712,052	
	TOTAL CONSUMER DISCRETIONARY			3,802,348	3,712,052	2.43
	CONSUMER STAPLES					
77,000	Kraft Heinz Co. (The)			4,456,362	4,456,362	
	TOTAL CONSUMER STAPLES			4,456,362	4,456,362	2.92
	ENERGY					
59,256	Birchcliff Energy Ltd.			184,914	180,138	
41,279,910	Blackbird Energy Inc.			9,425,139	8,255,981	
21,532,143	Blackbird Energy Inc., Warrants (19May21)			237,459	1,507,250	
64,500	Bonterra Energy Corp.			1,036,983	416,670	
215,580	Chinook Energy Inc.			70,105	32,337	
205,521	Diamond Offshore Drilling Inc.			4,085,121	2,648,649	
381,562	Ensco PLC, Class 'A'			2,944,774	1,854,434	
1,280,484	InPlay Oil Corp.			2,376,485	1,254,874	
1,721,715	International Frontier Resources Corp.			482,080	146,346	
550,184	Kelt Exploration Ltd.			3,167,140	2,552,854	
1,873,532	Leucrotta Exploration Inc.			2,517,978	1,798,591	
250,000	Nabors Industries Ltd.			1,831,363	682,600	
22,094	National-Oilwell Varco Inc.			897,607	775,182	
23,480	Obsidian Energy Ltd.			37,502	11,975	
1,163,495	Painted Pony Energy Ltd.			5,248,229	1,733,608	
66,600	Patterson-UTI Energy Inc.			1114917	941046	
4,981,393	Pine Cliff Energy Ltd.			2,290,269	1,245,348	
245,267	Prairie Provident Resources Inc.			528,584	53,959	
72,400	Precision Drilling Corp.			283,262	171,588	
66,666,666	Return Energy Inc.			5,000,000	1,333,333	
66,666,666	Return Energy Inc., Warrants, (27Dec22)*			-	1	
5,479,784	Surge Energy Inc.			14,156,139	8,055,282	
788,300	Transocean Ltd.			11,112,016	7,468,739	
775,438	Yangarra Resources Ltd.			747,306	2,031,648	
	TOTAL ENERGY			69,775,372	45,152,433	29.63
	FINANCIAL SERVICES					
312,654	Axos Financial Inc.			8,757,501	10,747,711	
61,900	Brookfield Property Partners L.P.			1,293,363	1,363,038	
234,923	CatchMark Timber Trust Inc., Class 'A'			3,381,192	2,277,090	
925,000	Enerpulse Technologies Inc.*			-	-	
	TOTAL FINANCIAL SERVICES			13,432,056	14,387,839	9.44
	HEALTH CARE					
15,522	Gilead Sciences Inc.			1,419,695	1,325,474	
	TOTAL HEALTH CARE			1,419,695	1,325,474	0.87

Vertex Managed Value Portfolio

Schedule of Investments

As at December 31, 2018 (continued)

Number of Shares/ Par Value	Description	Average Cost $	Fair Value $	% of Total
	INFORMATION TECHNOLOGY			
47,393	CalAmp Corp.	943,795	841,759	
349,975	Flextronics International Ltd.	4,633,659	3,635,951	
29,649	Skyworks Solutions Inc.	2,036,564	2,712,756	
283,654	Unisys Corp.	3,085,482	4,503,653	
	TOTAL INFORMATION TECHNOLOGY	10,699,500	11,694,119	7.67
	MATERIALS			
1,200,000	1038050 B.C. Ltd.*	1,200,000	-	
166	Altair Resources Inc.	154	6	
250,000	Altair Resources Inc., Warrants, (16Jan20)*	-	-	
1,666,665	Altair Resources Inc., Warrants, (18Apr20)*	-	167	
4,540,001	BTU Metals Corp.*	172,400	355,433	
206,313	Canfor Corp.	3,212,861	3,410,354	
1,000,000	Colonial Coal International Corp., Warrants, (02Mar20)*	-	200,000	
136	Community Vehicle Financing & Leasing Inc.*	7	-	
25,550	Community Vehicle Financing & Leasing Inc., Preferred, Series '1'*	2,225,913	1,823,504	
900,668	Conifex Timber Inc	5,759,299	1,540,142	
3,752,876	Copper Mountain Mining Corp.	6,704,250	2,702,071	
5,261,220	Core Gold Inc.	1,283,738	1,262,693	
1,880,610	Core Gold Inc., Warrants, (01Feb20)*	-	-	
3,316,872	Diamcor Mining Inc.	2,888,823	995,062	
144,550	Diamcor Mining Inc., Warrants, (31Aug19)*	-	-	
588,236	Diamcor Mining Inc., Warrants, (09Jun20)*	-	1	
217,150	Diamcor Mining Inc., Warrants, (28May21)*	-	-	
143,701	Inca One Gold Corp., Warrants, (01Sep19)*	-	-	
611,862	Interfor Corp.	4,694,314	8,823,050	
332,224	MAG Silver Corp.	2,657,135	3,320,538	
211,300	Major Drilling Group International Inc.	1,273,863	971,980	
1,037,477	McEwen Mining Inc.	1,280,318	2,593,693	
2,497,897	Northern Dynasty Minerals Ltd.	5,133,722	1,934,003	
300,000	Northern Dynasty Minerals Ltd., Special Warrants, (21Apr19)*	249,000	228,000	
50,880	Red Eagle Mining Corp.	28,696	763	
1,097,235	Red Eagle Mining Corp., Warrants, (07Aug22)*	-	1	
617	Rubix Lending Co. Inc., Class 'B'*	6	6	
239,694	Schnitzer Steel Industries Inc., Class 'A'	6,089,448	7,051,812	
409,449	Sherritt International Corp.	378,638	184,252	
5,072,547	Taseko Mines Ltd.	6,820,787	3,297,156	
3,552,694	Western Forest Products Inc.	6,039,120	6,714,592	
	TOTAL MATERIALS	58,092,492	47,409,279	31.10
	TOTAL STOCKS	161,677,825	128,137,558	84.06
	OPTIONS			
	Call Options			
100	Diamond Offshore Drilling Inc., January 2020, $20 USD	20,412	3,823	
200	Nabors Industries Ltd., January 2021, $7 USD	21,096	11,058	
200	Transocean Ltd., January 2020, $15 USD	31,464	8,737	
	Total Call Options	72,972	23,618	0.02
	TOTAL OPTIONS	72,972	23,618	0.02
	TOTAL LONG	171,592,051	134,093,685	87.97
	TOTAL NET INVESTMENTS BEFORE TRANSACTION COSTS	171,592,051	134,093,685	87.97
	Transaction Costs (Note 2)	(199,173)		
	TOTAL INVESTMENTS	171,392,878	134,093,685	87.97
	CASH		23,910,119	15.68
	OTHER ASSETS, LESS LIABILITIES		(5,557,279)	(3.65)
	TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	171,392,878	152,446,525	100.00

*Denotes manually priced securities using a fair valuation model

1. Establishment of the Fund

The Vertex Managed Value Portfolio (the "Fund") was created on March 31, 1998 under the laws of British Columbia. The address of the Fund's registered office is 1200 Waterfront Centre, 200 Burrard Street, PO Box 48600, Vancouver, BC, V7X 1T2. Vertex One Asset Management Inc. is the Manager and CIBC Mellon is the Trustee and Custodian of the Fund. The Fund commenced operations on April 3, 1998. Effective June 1, 2007, the name of the Fund was changed from Vertex Balanced Fund. The Fund currently offers an unlimited number of Class A, Class B and Class F Units.

The Fund will employ a variety of investment strategies to achieve its investment objectives. More specifically, the assets of the Fund will be invested, under the discretion of the Manager, in a diversified portfolio of equity and fixed income securities to provide unitholders with an opportunity for capital appreciation and high current income. The Manager will vary its asset allocation to adapt to prevailing economic conditions. The Fund's long term asset allocation policy is targeted towards a balanced portfolio of equities and fixed income securities.

2. Basis of accounting

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit and loss.

The annual financial statements were authorized for issue by the Manager on April 8, 2019.

3. Significant accounting policies

Financial assets and financial liabilities at fair value through profit or loss

a) Classification

i. Assets

The Fund classifies its investments based on both Fund's business model for managing those financial assets and contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investment are measured at fair value through profit or loss.

ii. Liabilities

The fund makes short sales in which borrowed security is sold on anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

iii. Other financial assets and other financial liabilities
Other financial assets (held for collection) and other financial liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate at the contract's effective interest rate. Due to their short-term nature, the fair value of other financial assets and financial liabilities carried at amortized cost approximates their carrying amount

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Fund's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

b) Recognition, derecognition and measurement
Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities are initially recognized at fair value. Transaction costs related to financial instruments at FVTPL are expensed as incurred in the Statements of Comprehensive Income.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is recognized as a gain or loss and is presented in the Statements of Comprehensive Income within net realized gain (loss) on investments and derivatives.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of Comprehensive Income within changes in unrealized appreciation (depreciation) in value of investments and derivatives in the period in which they arise.

All other financial assets and liabilities are measured at amortized cost due to their short term nature.

c) Revenue Recognition
Dividend income from financial assets at fair value through profit or loss is recognized in the Statements of Comprehensive Income within dividend income when the Fund's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognized in the Statements of Comprehensive Income as interest income for distribution purposes which represents the coupon interest on debt instruments held by the Fund determined on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities. Net realized gain (loss) and net change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in profit or loss as an expense.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial statement purposes, investments traded on a recognized exchange, are recorded at fair value, established by last traded market price where the last traded market price falls within the day's bid ask spread. In circumstances where the last traded price is not within that day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

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 close price. If the warrants are not listed, but a secondary market exists then the independent broker prices (if available), who trade in such market will be used. If no secondary market exists, the warrants will be valued using the Black Scholes option pricing model.

The value of any security or property for which, in the opinion of the Manager the published market quotations are not readily available shall be the fair value as determined by the 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 comparisons with prices of comparable or similar securities, discounted cash flow analysis, obtaining valuation related information from issuers and/or other analytical data relating to the investment and using other available indicators 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 been 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.

Cash

Cash is comprised of cash on deposit.

Collateral

Cash collateral provided by the Fund is identified in the Statements of Financial Position as 'cash, pledged as collateral', if any. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its Statements of Financial Position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, the collateral provided is disclosed in the notes to the financial statements.

Options

Option premiums paid or received by the Fund are, so long as the options are outstanding, reflected in the Schedule of Investments. Exchange traded options are valued at their last traded market price where the last traded market price falls within the day's bid ask spread. In cases where the last traded price is not within the day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances. Over the counter options are valued using industry-accepted modeling techniques on each valuation day.

Unlisted options are valued using the Black Scholes model.

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 – for put options, realized gains will arise up to the intrinsic value of the option net of premiums paid and for call options, the premium will be added to the cost base of the security purchased; or
iii) Closing of the purchased options – realized gains or losses will arise equal to the proceeds from selling the 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 – for call option, 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 and for put option, the premium will be deducted from the cost base of the security purchased; 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 "Net realized gain (loss) on investments and derivatives" in the Statements of Comprehensive Income.

Foreign currency translation

The Fund's subscriptions and redemptions are denominated in Canadian dollars which is also its functional and presentation currency. Assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the year 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. Foreign exchange gains and losses relating to cash are presented as 'foreign exchange gain (loss) on cash' and those related to investments and derivatives are included in 'net realized gain (loss) on investments and derivatives' and 'change in unrealized (depreciation) appreciation in value investments and derivatives'.

Securities lending

The Fund engages in securities lending transactions. The Fund will receive collateral of at least 102% of the value of securities on loan. Collateral will generally be comprised of securities guaranteed by the Government of Canada or a province or territory of Canada, or by other governments with appropriate credit ratings, or by financial institutions, but may include commercial paper with an approved credit rating and or convertible securities. As at December 31, 2018, the aggregate dollar value of portfolio securities lent were $12,197,218 (December 31, 2017 – $nil) and the collateral held under securities transactions were $12,936,441 (December 31, 2017 – $nil). Income earned from securities lending is included in securities lending income in the Statements of Comprehensive Income.

	December 31, 2018		December 31, 2017	
	$	**% of Gross securities lending revenue**	$	% of Gross securities lending revenue
Gross securities lending revenue	**175,330**	**100**	-	-
Withholding taxes	**(2,258)**	**(1)**	-	-
Agent fees - Bank of New York Mellon Corp. (The)	**(51,919)**	**(30)**	-	-
Securities lending revenue	**121,153**	**69**	-	-

Increase (decrease) in net assets attributable to holders of redeemable units for each Class

Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units for the year per class, divided by the weighted average units outstanding during the year for that class.

Net Assets attributable to holders of redeemable units and related per unit amounts

The Fund issues three classes of redeemable units, which are redeemable at the holder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the unit class. Units are redeemable at the end of any month. The redeemable units are carried at the redemption amount that is payable at the Statements of Financial Position date if the holder exercises the right to put the unit back to the Fund. Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units with the total number of outstanding redeemable units for each respective class. Investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit (NAV) for transactions with unitholders. As at December 31, 2018 and December 31, 2017, there were no differences between the Fund's net asset value per security and its net assets per security calculated in accordance with IFRS.

A separate NAV is calculated for each Class of units of the Fund by taking the Class' proportionate share of the Fund's common assets less that Class' proportionate share of the Fund's common liabilities and deducting from this amount all liabilities that relate solely to a specific Class. The NAV per unit for each Class is determined by dividing the NAV of each Class by the number of units of that Class outstanding on the valuation date.

Classification of redeemable units issued by the Fund

Under IFRS, IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units do not meet the criteria in IAS 32 for classification as equity and therefore, have been classified as financial liabilities.

Taxation

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund has determined that it is in substance not taxable and therefore does not record income taxes in the Statements of Comprehensive Income nor does it recognize any deferred tax assets or liabilities in the Statements of Financial Position. As at December 31, 2018, the Fund had $nil (December 31, 2017 - $nil) of unused capital losses which have no expiry and $197,446 (December 31, 2017 - $nil) of non-capital loses which will expire in 2038.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

4. Adoption of IFRS 9

IFRS 9, Financial Instruments
IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after January 1, 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognized at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

IFRS 9 has been applied retrospectively by the Fund and did not result in a change to measurement of financial instruments as outlined in note 3. The Fund's investment portfolio previously designated as FVTPL or held for trading are now classified as fair value through profit or loss and other financial assets held for collection previously classified as loans and receivables are now classified at amortized cost. There were no material impact on the adoption from application of the new impairment model. There were no other standards, amendment to standards or interpretations that are effective for annual periods beginning January 1, 2018 that have a material effect on the financial statements of the Fund.

5. Critical accounting estimates and judgments

The preparation of financial statements requires management to make judgments in applying its accounting policies and 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 measurement of securities not quoted in an active market
The Fund holds financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See Note 6 for more information on the fair value measurement of the Fund's financial statements.

6. Fair value disclosure

The Fund classifies fair value measurements within a 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- quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- unobservable inputs for the asset or liability.

The Fund's financial instruments which are recorded at fair value have been categorized based upon this fair value hierarchy. The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value as at December 31, 2018 and December 31, 2017.

	Financial Assets at fair value as December 31, 2018			
	Level 1	Level 2	Level 3	Total
Equities - long	$ 124,353,629	$ -	$ 1,823,510	$ 126,177,139
Bonds - long	-	117,506	5,815,003	5,932,509
Warrants	1,507,250	169	453,000	1,960,419
Options	23,618	-	-	23,618
	$ 125,884,497	$ 117,675	$ 8,091,513	$ 134,093,685

	Financial Assets at fair value as at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Equities - long	$ 238,319,911	$ 5,033,333	$ 2,274,166	$ 245,627,410
Bonds - long	-	178,631	5,832,273	6,010,904
Warrants	3,768,125	225,023	-	3,993,148
Options	4,696,843	-	-	4,696,843
	$ 246,784,879	$ 5,436,987	$ 8,106,439	$ 260,328,305

	Financial Liabilities at fair value as at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Options	(55,987)	-	-	(55,987)
	$ (55,987)	$ -	$ -	$ (55,987)

Investments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an investment classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, investments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Likewise, if an investment classified as Level 2 or Level 3, subsequently becomes actively traded and/or have a quoted price available, it is transferred into Level 1.

The Fund uses the following techniques to determine the Level 2 fair value measurements:
Equities - The fair value of equities are determined using inputs other than quoted prices included in level 1 that are observable for the asset or liability directly or indirectly. This includes transaction prices in markets that are not active for identical instruments, quoted prices in markets for similar, but not identical, instruments and transaction prices in markets that are not active for similar, but not identical, instruments.

Bonds - The fair value of bonds are determined by obtaining the quoted market prices or executable dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data. In addition, the Fund also values these instruments using the net present value of estimated future cash flows.

Options and other over-the-counter derivatives - Options and other over-the-counter derivatives are classified as level 1 when they are exchange traded and prices are readily available on the market. Where they are not traded, the Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for these non-standardized financial instruments such as options and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. Where the inputs are observable, the options and other over-the-counter derivatives are classified into level 2. Where the inputs are not observable, they are classified into level 3.

Warrants - The fair value of warrants are valued using the Black Scholes options pricing model. The warrants are classified as Level 2 where the underlying security is listed and the other inputs are observable.

Level 3 fair value measurements and sensitivity analysis

Equities

Equities classified within Level 3 with fair value at December 31, 2018 of $1,823,510, (December 31, 2017 - $2,274,160) and consists of private equity positions. The Fund utilizes comparable trading multiples in arriving at the valuation for these positions. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortization (EBITDA). The trading multiple is then discounted for consideration such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances

Bonds
Bonds classified within Level 3 with fair value at December 31, 2018 of $5,314,953, (December 31, 2017 - $5,823,667) consists of corporate bonds. The Fund values these instruments using the net debt to EBITDA. The Fund also considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary. The remaining bonds with fair value of $500,050 use broker quotes, grey markets and costs are not included in the sensitivity analysis, there will be no effect on its estimated value.

Warrants
Warrants classified within Level 3 with fair value at December 31, 2018 of $453,000, (December 31, 2017 - $nil) have significant unobservable inputs, as the underlying securities trade infrequently or are privately held. These warrants use broker quotes, grey markets and costs which are not included in the sensitivity analysis, there will be no effect on its estimated value. As observable prices are not available for the underlying securities, the Manager uses Black Scholes as a valuation technique to derive the fair value of the underlying securities.

The following table presents the sensitivity analysis for level 3 securities with significant unobservable inputs as at December 31, 2018 and December 31, 2017.

Description	**Fair Value at December 31, 2018**	**Valuation Techniques**		**Unobservable Inputs**	**Weighted average input**	**Reasonably possible shift +/-= (absolute value)**	**Change in the valuation (+/-)**
Equities	$1,823,510	Comparable trading multiples		Market Capitalization/ Tangible Book Value	1.01	0.25	+/-$451,779
Debt Securities	$5,314,953	Net debt to EBITDA		Discount Rate Loan Recoverability Recoverability of List Price	18.45% 100.00% 80.00%	1.0 10% 10%	+($82,129)/-$79,702 +/- $128,630 +/-$3,844

Description	Fair Value at December 31, 2017	Valuation Techniques		Unobservable Inputs	Weighted average input	Reasonably possible shift +/-= (absolute value)	Change in the valuation (+/-)
Equities	$2,274,166	Comparable trading multiples		Sales Multiple	3.6	1.0	+/-$641,189
Debt Securities	$5,823,273	Net debt to EBITDA		Net debt to EBITDA	6.9	1.0	+/- $350,563
				Discount Rate	17.9	1.0	+/-$28,666
				Per Acre Multiple	1,485	50.0	+/-$116,150

The change in valuation disclosed in the above table shows the direction an increase or decrease in the respective input variables would have on the valuation result. For equity securities, increases in EBITDA multiple and control premium inputs would each lead to an increase in estimated value. However, an increase in the discount for lack of marketability would lead to a decrease in value. For debt securities, increases in the cost of capital and profitability of default would both lead to a decrease in the estimated value. For investments that use broker quotes, grey markets and cost, there will be no effect on its estimated value.

A sensitivity analysis for Level 3 positions at December 31, 2018 for warrants amounting to $453,000 (December 31, 2017 - $nil) and were not presented as it was deemed the impact of reasonable changes in inputs would not be significant.

Reconciliation of Level 3 fair value measurements

The following is a reconciliation of Level 3 fair value measurements from December 31, 2017 to December 31, 2018:

	Fair value measurements using level 3 inputs			
	Warrants	**Equities - long**	**Bonds - long**	**Total**
Balance at December 31, 2017	$ -	$ 2,274,166	$ 5,832,273	$ 8,106,439
Sales	-	-	(1,081,206)	(1,081,206)
Purchases	249,000	-	868,714	1,117,714
Gains (Losses)				
Realized	-	-	165,296	165,296
Unrealized	204,000	(450,656)	29,926	(216,730)
Balance at December 31, 2018	$ 453,000	$ 1,823,510	$ 5,815,003	$ 8,091,513
Total change in unrealized gain (loss) during the year for assets held at December 31, 2018	$ 204,000	$ (450,656)	$ (250,729)	$ (497,385)

The following is a reconciliation of Level 3 fair value measurements from December 31, 2016 to December 31, 2017:

	Fair value measurements using level 3 inputs			
	Warrants	**Equities - long**	**Bonds - long**	**Total**
Balance at December 31, 2016	$ 213,017	$ 1,200,002	$ 12,009,971	$ 13,422,990
Sales	-	-	(3,731,328)	(3,731,328)
Purchases	-	-	982,955	982,955
Restructuring in	-	2,225,919	-	2,225,919
Restructuring out	-	(6)	(2,225,913)	(2,225,919)
Transfers out	(213,015)	-	-	(213,015)
Gains (Losses)				
Realized	-	-	(955,029)	(955,029)
Unrealized	(2)	(1,151,749)	(248,383)	(1,400,134)
Balance at December 31, 2017	$ -	$ 2,274,166	$ 5,832,273	$ 8,106,439
Total change in unrealized gain (loss) during the year for assets held at December 31, 2017	$ -	$ (1,151,754)	$ (1,269,052)	$ (2,420,806)

There were no transfers between Levels 1 and 2 for assets and liabilities held at December 31, 2018:

The following were the transfers between Levels 1 and 2 for assets and liabilities held at December 31, 2017:

	Transfer from level 1 to level 2	Transfer from level 2 to level 1
	2017	**2017**
Equities - Long	$ -	$ 619,736

7. Investment Entity

The fund has determined that it meets the definition of an "investment entity" and as a result, it measures subsidiaries, if any, at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purposes of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgement that the Fund has made in determining that it meets this definition is that fair value is the primary measurement attribute used to measure and evaluate the performance of substantially all of its investments.

8. Redeemable units

Redeemable units transactions include amounts representing unit subscriptions, unit redemptions, and units reinvested. Units are redeemable monthly. 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 note 12, 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 redeemable units during the year:

	December 31, 2018			**December 31, 2017**		
	Class A	**Class B**	**Class F**	**Class A**	**Class B**	**Class F**
Units - Beginning of period	**5,179,446**	**1,805,715**	**3,650,353**	5,478,527	1,859,511	3,724,268
Redeemable Units issued	**135,681**	**351,171**	**456,367**	215,777	189,069	540,842
Redeemable Units reinvested	**-**	**-**	**-**	326,492	103,806	202,831
Redeemable Units redeemed	**(650,652)**	**(379,430)**	**(643,498)**	(841,350)	(346,671)	(817,588)
Units - End of period	**4,664,475**	**1,777,456**	**3,463,222**	5,179,446	1,805,715	3,650,353

Certain directors and/or related parties of the Fund held 14.96% of the Fund units at December 31, 2018 (December 31, 2017 - 15.93%).

9. Fees and expenses

a) Management fees

Pursuant to the terms of the management agreement, the Fund pays the Manager a monthly management fee for services, including the provision of key management personnel, calculated as a percentage of the Net Asset Value of each class of units that comprise the Fund on the last business day of the month. The management fee may vary from class to class and will be deducted as an expense of the Fund in the calculation of the net profits of the Fund. The management fee for each of the existing classes of units is as follows:

Class A: 1/12 of 1% per annum of the NAV of Class A Units of the Fund on the last business day of the month plus applicable taxes.

Class B: 1/12 of 1.9% per annum of the NAV of Class B Units of the Fund on the last business day of the month plus applicable taxes.

Class F: 1/12 of 1% per annum of the NAV of Class F Units of the Fund on the last business day of the month plus applicable taxes.

The management fees incurred for the year ended December 31, 2018 are $2,537,361 (December 31, 2017 - $2,927,423), of which $135,601 (December 31, 2017 - $263,400) were outstanding at year end.

b) Performance fees

The Fund also pays the Manager an annual performance fee (the "performance fee") equal to 20% of the amount by which the percentage increase in net asset value per unit exceeds a threshold annualized increase of 5% (the "Hurdle Rate") of the Net Asset Value for each class of units at the beginning of that fiscal year. The Hurdle Rate of 5% is reset on January of each new calendar year for each class of units. The performance fee is accrued monthly and is payable for each calendar year. The performance fee plus applicable taxes is payable by the Fund within 10 business days from the year-end. Upon 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 month in which the units were redeemed.

There were $nil in performance fees incurred for the year ended December 31, 2018 (December 31, 2017 - $493,535), of which $nil (December 31, 2017 - $531,555) were outstanding at year end. The Manager has reserved the right to change the period for which any performance fee may be paid by the Fund to the Manager.

c) Other fees and expenses

The Fund is responsible for the payment of all fees and expenses relating to its operation, including the fees and expenses of the recordkeeper, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), and legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of units, providing financial and other reports to unitholders and convening and conducting meetings of unitholders, all taxes, assessments or other governmental charges levied against the Fund, interest and all brokerage and other fees relating to the purchase and sale of the assets of the Fund. The Manager will pay for all expenses associated with the identification and management of the Fund's investments (other than direct expenses such as interest charges on margin borrowings and brokerage fees, which are the responsibility of the Fund).

10. Soft dollar commissions

Soft dollar commissions relate to amounts paid to brokers in exchange for research or other services provided to the Manager. There were $27,964 soft dollar commissions paid (December 31, 2017 - $16,831) during the year.

11. Financial risk management

The Fund's financial instruments consist of investments, cash, accrued interest and dividends receivable, subscriptions receivable, accrued performance fees, accrued management fees, accounts payable and accrued liabilities, due to/from broker and redemptions payable. 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 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 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 (other than interest rates and foreign currency exchange rates). 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 Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

As of December 31, 2018, if the Fund's net equity position and option investments had increased or decreased by 5% with all other variables held constant, this would have approximately increased or decreased net assets by $6,408,059 (December 31, 2017 - $12,713,071). Actual results may differ from this sensitivity analysis and those results could be material.

(b) Interest rate risk

As at December 31, 2018, 3.89% (December 31, 2017 – 2.31%) of the Fund's investment portfolio includes interest bearing corporate bonds and strip bonds. 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 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		Total
As at December 31, 2018								
Financial Assets								
Bonds*	$	1,891,712	$	1,896,091	$	2,144,706	$	5,932,509

		Less than 1 year		1 - 5 years		More than 5 years		Total
As at December 31, 2017								
Financial Assets								
Bonds*	$	2,434,230	$	1,633,564	$	1,943,110	$	6,010,904

* The amount of bonds is net of short securities, if any

At December 31, 2018, 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 year would amount to approximately $32,381 (December 31, 2017 - $35,818). Actual results may differ from this sensitivity analysis and those results could be material. The Fund's Manager reviews the interest rate exposure on a regular basis.

(c) Currency risk

Currency risk is the risk that the value of net investments denominated in currencies, other than Canadian Dollars, the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. 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 and cash flows associated with the securities denominated in other currencies fluctuate due to changes in exchange rates. The Fund's manager reviews 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.

The currency risk reflects the net impact after taking into consideration the forward contracts. Actual results may differ from this sensitivity analysis and those results could be material. As at December 31, 2018 and December 31, 2017, if the Canadian dollar strengthened or weakened by 5% in relation to all other currencies, with all other variables held constant the decrease or increase respectively in net assets would approximately amount to values as disclosed in the table below:

As at December 31, 2018					
	Monetary exposure	Non-monetary exposure	Net currency exposure	% of Net assets attributable to holders of redeemable units	5% Decrease /increase
Euro	$ 1	$ -	1	0.00%	$ 0
US Dollar	19,247,477	57,777,691	$ 77,025,168	50.53%	3,851,258
Total	$ 19,247,478	$ 57,777,691	$ 77,025,169	50.53%	$ 3,851,258

As at December 31, 2017					
	Monetary exposure	Non-monetary exposure	Net currency exposure	% of Net assets attributable to holders of redeemable units	5% Decrease /increase
Euro	$ 1	$ -	1	0.00%	$ 0
US Dollar	2,260,036	122,703,021	$ 124,963,057	48.21%	6,248,153
Total	$ 2,260,037	$ 122,703,021	$ 124,963,058	48.21%	$ 6,248,153

* The non-monetary exposure is net of short securities, if any.

(d) 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, and derivative contracts. To maximize the credit quality of its investments, the Fund's manager performs ongoing credit evaluations based upon factors surrounding the credit risk of customers, historical trends and other information. Cash and collateral are held with a custodian bearing a credit rating of Aa3 or better.

The Fund invests in debt securities, 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 are noted below:

Portfolio by rating category

Rating	Percentage of net assets December 31, 2018	December 31, 2017
A/A	0.08%	0.04%
BBB/Bbb	0.00%	0.00%
Below BBB	0.00%	0.00%
Unrated	3.81%	2.27%
Total	**3.89%**	2.31%

The Fund also engages in securities lending transactions. The credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Fund in connection with these transactions is at least 106 percent of the fair value of the securities loaned. The collateral and loaned securities are marked to market on each business day. The aggregate dollar value of portfolio securities lent and collateral held under securities transactions is stated in Note 3.

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 is only made once the broker has received payment. Payment is made 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.

(e) Liquidity risk

Liquidity risk is the risk that the 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 December 31, 2018 that may be subject to liquidity risk have been identified on the Schedule of Investments. In addition, the Fund retains sufficient cash to maintain liquidity.

The tables below analyze the Fund's financial liabilities as at December 31, 2018 and December 31, 2017 into relevant groupings based on contractual maturity dates. The amounts are contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant. The net assets attributable to holders of redeemable units are redeemable on demand. However, the Manager does not expect that the contractual maturity disclosed below will be representative of the actual cash outflows as holders of the redeemable units typically retain them for a longer period.

As at December 31, 2018	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
Liabilities					
Management fees payable	$ -	$ 135,601	$ -	$ -	$ 135,601
Redemptions payable	-	4,028,979	-	-	4,028,979
Due to broker	-	4,456,362	-	-	4,456,362
Redeemable units	152,446,525	-	-	-	152,446,525

As at December 31, 2017	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
Liabilities					
Option contracts	$ -	$ 55,987	$ -	$ -	$ 55,987
Accrued performance fees	-	531,555	-	-	$ 531,555
Management fees payable	-	263,400	-	-	263,400
Redemptions payable	-	2,893,757	-	-	2,893,757
Due to broker	-	-	-	-	-
Redeemable units	259,203,430	-	-	-	259,203,430

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund’s concentration risk:

Portfolio by Category	Percentage of Net Assets (%) As at December 31, 2018	As at December 31, 2017
Bonds - Corporate Bonds	3.81	2.27
Bonds - Strip Bonds & Coupons	0.08	0.04
Stocks - Consumer Discretionary	2.43	4.19
Stocks - Consumer Staples	2.92	-
Stocks - Energy	29.63	35.68
Stocks - Financial Services	9.44	13.29
Stocks - Health Care	0.87	0.08
Stocks - Industrials	-	4.14
Stocks - Information Technology	7.67	5.02
Stocks - Materials	31.10	33.90
Long - Call Options	0.02	1.81
Short - Put Options	-	(0.02)
Cash	15.68	0.33
Other Assets, Less Liabilities	(3.65)	(0.73)
	100.00	100.00

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 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. Increase in net assets attributable to holders of redeemable units per unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the years ended December 31, 2018 and December 31, 2017 is calculated as follows:

Class A	December 31, 2018	December 31, 2017
Increase (decrease) in net assets attributable to holders of redeemable units	$ (48,029,754)	$ 6,641,465
Weighted average units outstanding during the year	5,030,602	5,229,497
Increase (decrease) in net assets attributable to holders of redeemable units per unit	(9.55)	1.27

Class B	December 31, 2018	December 31, 2017
Increase (decrease) in net assets attributable to holders of redeemable units	$ (6,937,710)	$ 776,312
Weighted average units outstanding during the year	1,814,511	1,855,784
Increase (decrease) in net assets attributable to holders of redeemable units per unit	$ (3.82)	0.42

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Class F	**December 31, 2018**	December 31, 2017
Increase (decrease) in net assets attributable to holders of redeemable units	$ (34,613,091)	$ 4,707,892
Weighted average units outstanding during the year	3,461,405	3,739,061
Increase (decrease)in net assets attributable to holders of redeemable units per unit	$ (10.00)	1.26

CERTIFICATE

DATED this 29th day of June, 2019.

This Offering Memorandum does not contain a misrepresentation.

Vertex Managed Value Portfolio
by its investment manager, Vertex One Asset Management Inc.

(Signed) John Thiessen	*(Signed) Jeffrey McCord*
John Thiessen, Director, President and CEO	Jeffrey McCord, Managing Director

Vertex One Asset Management Inc.
promoter of the Vertex Managed Value Portfolio

(Signed) John Thiessen	*(Signed) Jeffrey McCord*
John Thiessen, Director, President and CEO	Jeffrey McCord, Managing Director