

# FUND FACTS

Vertex Liquid Alternative Fund Plus - Class B

January 11, 2019



This document contains key information you should know about the Vertex Liquid Alternative Fund Plus. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact Vertex One Asset Management Inc. at 1-866-681-5787 or [invest@vertexone.com](mailto:invest@vertexone.com) or visit [www.vertexone.com](http://www.vertexone.com)

**Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.**

**This mutual fund is an alternative mutual fund. It is permitted to invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this fund from other types of mutual funds include: increased use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; the ability to borrow cash to use for investment purposes; and increased ability to invest in physical commodities. While these strategies will be used in accordance with the fund's investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment**

## QuickFacts

<b>Fund Code:</b>	<b>VRT2000</b>	<b>Fund Manager:</b>	Vertex One Asset Management Inc.
<b>Date class started:</b>	<b>January 11, 2019</b>	<b>Portfolio Manager:</b>	Vertex One Asset Management Inc.
<b>Total value on January 11, 2019:</b>	<b>Not available because fund is new</b>	<b>Distributions:</b>	Income & Capital Gains: Annually (mid-December)
<b>Management expense ratio (MER)</b>	<b>Not available because fund is new</b>	<b>Minimum investment:</b>	\$500 initial, \$50 subsequent

## What does the fund invest in?

The fund will invest in Class O units of the Vertex Liquid Alternative Fund (the "underlying fund"), enter into derivative contracts that replicate the return of the underlying fund (less the implicit funding cost), and/or use the same investment strategies as the underlying fund (investing directly in arbitrage situations). The fund manager intends for the fund to gain 200% exposure to the underlying fund, net of borrowing and/or dealer costs.

The fund may engage in physical short sales and borrowing for investment purposes. The fund may also use leverage through the use of cash borrowing, short selling and specified derivatives. The fund's aggregate gross exposure to these sources of leverage must not exceed 300% of the fund's net asset value, as calculated in accordance with section 2.9.1 of National Instrument 81-102 *Investment Funds*.

The underlying fund intends to invest primarily in securities in Canada, the United States and in other foreign jurisdictions. The fund may also invest in other mutual funds that provide exposure to securities in these jurisdictions. The fund intends to employ arbitrage strategies, which are specialized investment techniques designed to profit from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. The underlying fund may engage in physical short sales and borrowing for investment purposes. The underlying fund may also use leverage through the use of cash borrowing, short selling and specified derivatives.

The charts below give you a snapshot of the fund's investments on January 11, 2019. The fund's investments will change.

## Top 10 investments (January 11, 2019)

Not available because the fund is new

## Investment mix (January 11, 2019)

Not available because the fund is new

### How risky is it?

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much the fund's returns change over time, this is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

### Risk rating

Vertex One Asset Management Inc. has rated this fund's risk as **Low to Medium**.

This is a new fund and as such the risk rating is an estimate only by Vertex One Asset Management Inc. Generally, the rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns. See the *What is a mutual fund and what are the risks of investing in a mutual fund?* section of the fund's simplified prospectus.

### No guarantees

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the money you invest.

### How has the fund performed?

This section tells you how Class B units of the fund have performed since inception. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### Year-by-year returns

Not available because the fund is new.

### Best and worst 3-month returns

Not available because the fund is new.

### Average return

Not available because the fund is new.

### Who is this fund for?

#### Investors who:

- are looking for an alternative mutual fund that provides leveraged exposure to securities in Canada, the United States and foreign jurisdictions using an arbitrage strategy with low correlation to equity markets
- are seeking capital gains over a long-term time horizon
- have a low to medium tolerance for risk
- do not invest in this fund if you cannot accept the volatility of equity markets

### A word about tax

In general, you'll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan such as a Registered Retirement Savings Plan or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

## How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Class B units of the fund. The fees and expenses - including any commissions - can vary among the classes of the fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

### 1. Sales charges

An initial sales charge will apply when you buy the fund.

Sales charge option	What you pay (in %)	What you pay (in \$)	How it works
<b>Initial sales charge</b>	0% to 2% of the amount you buy	\$0 to \$20 on every \$1,000 you buy	<ul style="list-style-type: none"> <li>You and your representative decide on the rate.</li> <li>The initial sales charge is deducted from the amount you buy. It goes to your representative's firm as a commission.</li> </ul>

### 2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

The fund's expenses are made up of the management fee, operating expenses and trading costs. The annual management fee is 2% of the class B net asset value.

Because this class is new, the other fund costs and trading costs are not yet available.

#### Performance fee

The fund pays Vertex One Asset Management Inc. a performance fee determined by the performance of the fund. It is equal to 15% of the amount by which the performance of the fund exceeds the previous high-water mark for the class.

### 3. Other fees (To be discussed by Vertex One)

You may have to pay other fees when you buy, hold, sell or switch units of the fund.

#### More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you.

Vertex One Asset Management Inc. pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The rate is equal to 1.00% of the average value of Class B units held through your representative's firm for the period.

#### Fee

#### What you pay

#### Short-term trading fee

2% of the value of units you sell or switch within 30 days of buying them. This fee goes to fund.

## What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund units within two business days after you receive a simplified prospectus or Fund Facts documents, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts documents or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

## For more information

Contact Vertex One Asset Management Inc. or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).