

# VERTEX LIQUID ALTERNATIVE FUND PLUS

VERTEX ONE  
Asset Management Inc.

An Everyday Equity Alternative

Low Volatility

Absolute Returns

Daily Liquidity

## Merger Arbitrage

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

## Investment Objective & Strategy

The fundamental investment objective of the Vertex Liquid Alternative Fund Plus (“VLAFP”) is to generate consistent, positive returns, with lower volatility and low correlation to equity markets by providing levered exposure to the Vertex Liquid Alternative Fund (“VLAF”).

The Vertex Liquid Alternative Fund primarily employs 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 most common arbitrage activity the Manager intends to use is merger arbitrage, which involves purchasing the shares of an announced acquisition target company at a discount to the expected merger consideration. As a result of these investment activities, the Manager intends for the VLAFP to gain 200% exposure to the VLAF, net of borrowing and/or dealer costs.

## Highlights

- Consistent Capital Growth through Risk Management
- Equity-like Returns from Bond-like Volatility
- A Proven, Repeatable Investment Process and Extensive Portfolio Manger Experience
- Independent Source of Return
- Downside Protection

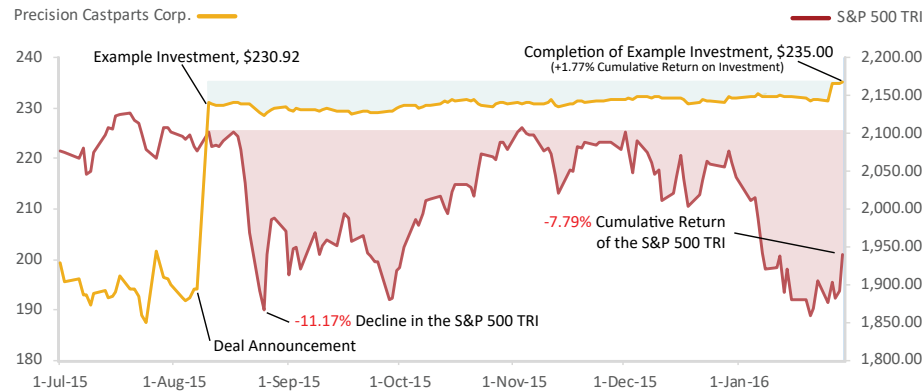
### Class F Returns (Net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	0.14%	-0.14%	0.57%	0.54%									1.11%

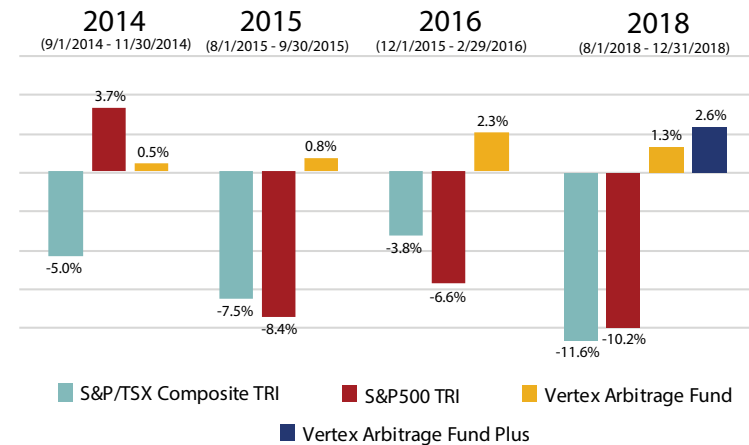
Firm Assets	\$899 Million
Strategy Assets	\$316 Million
Type of Fund	Alt. Market Neutral
RSP Eligible	Yes
Pricing Schedule	Daily
Offer Document	Simplified Prospectus
Lock up	No
Purchase Minimum	\$500.00 (initial) \$50.00 (subsequent)
High water mark	Yes
Performance Fee	15% of the amount above the high water mark
Management Fee	F Class: 1% B Class: 2%
Fund Codes	VRT 2001 (F) VRT 2000 (B)
Administration/Trustee	CIBC Mellon
Prime Broker	CIBC World Markets
Auditor	PriceWaterhouseCoopers
Inception Date	January 17, 2019
Class F NAV	\$10.1111
Class B NAV	\$10.0945

## Example of Merger Arbitrage

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



## Arbitrage Strategy During Periods Of Market Volatility



## Management Team

**Tom Savage, CFA, MBA** - Mr. Savage has an extensive background in alternative strategies and is part of the Vertex One team specializing in merger arbitrage, event-driven arbitrage, and special situations. Prior to joining Vertex One, Tom was a proprietary trader with CIBC World Markets where he was responsible for equity and derivatives arbitrage and special situations strategies. Formerly, he worked in private equity at Birch Hill Equity Partners and began his career as an equity analyst at KBSH Capital Management. Tom is a CFA charterholder and a member of the Vancouver Society of Financial Analysts. He received a Bachelor of Commerce degree from Queen's University and an MBA from Harvard Business School.

**Craig Chilton, CFA** - Mr. Chilton has an extensive background in event-driven arbitrage strategies. Prior to joining Vertex One, he was a Managing Director with CIBC World Markets, where he spent 15 years as a proprietary trader in Toronto, New York and Vancouver. Craig began his finance career in investment banking with Lancaster Financial, and subsequently, Richardson Greenshields. Craig has over 20 years of experience in the investment industry; he is a CFA charterholder and a member of the Vancouver Society of Financial Analysts. He received a Bachelor of Applied Science (Electrical Engineering) from the University of Toronto.

## Corporate Profile

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

### Vertex One Head Office

Suite 3200 - 1021 West Hastings Street, Vancouver, BC, Canada, V6E 0C3  
 Phone: 604-681-5787 Toll Free: 866-681-5787 Fax: 604-681-5146  
 Email: [invest@vertexone.com](mailto:invest@vertexone.com) Website: [www.vertexone.com](http://www.vertexone.com)

### Dealer Services

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

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