

# FUND FACTS

Vertex Value Fund - Class B

October 21, 2019



This document contains key information you should know about the Vertex Value Fund. 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, or visit www.vertexone.com.

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

On August 26, 2019, Vertex One Asset Management Inc. (“**Vertex**”) announced that it had entered into an agreement with PenderFund Capital Management Ltd. (“**Pender**”) pursuant to which Pender has agreed to acquire the rights to manage the Fund, the Vertex Growth Fund and the Vertex Enhanced Income Fund, and thereby become the investment fund manager and portfolio manager of these funds (the “**Proposed Transaction**”). On October 11, 2019, in connection with the Proposed Transaction, Vertex further announced that it intends to merge the Vertex Growth Fund and the Vertex Fund into the Vertex Enhanced Income Fund.

A special meeting of the unitholders of the Fund will be held on or about November 28, 2019, or such later date, to consider the change of manager, a change of auditor of the Fund, the implementation of a fixed administration fee, and an amendment to the trust agreement of the Fund.

The Proposed Transaction is expected to close on, or about, December 15, 2019, subject to receipt of all required unitholder and regulatory approvals, as well as satisfying other customary conditions of closing. If the necessary approvals are obtained, all of the above proposed changes will occur on closing (except for the change of auditor, which is expected to take effect on January 1, 2020), and the Fund will be renamed the “Pender Value Fund II” (all as described in further detail in the management information circular to be provided to unitholders).

## Quick Facts

<b>Fund Code:</b>	VRT 600	<b>Fund Manager:</b>	Vertex One Asset Management Inc.
<b>Date class started:</b>	September 21, 2009	<b>Portfolio Manager:</b>	PenderFund Capital Management Ltd. <sup>(1)</sup>
<b>Total value on August 31, 2019:</b>	\$38 Million	<b>Distributions:</b>	Income & Capital Gains: Annually (mid-Dec.)
<b>Management expense ratio (MER):</b>	2.39%	<b>Minimum investment:</b>	\$500 initial, \$50 subsequent

## What does the fund invest in?

The fund invests primarily in value equity and equity-related securities of North American companies. Fundamental analysis will be used to identify superior investment opportunities with the potential for above average capital appreciation over the long term.

<sup>(1)</sup> Penderfund Capital Management Ltd. was appointed Portfolio Manager effective July 1, 2019

The charts below give you a snapshot of the fund's investments on August 31, 2019. The fund's investments will change.

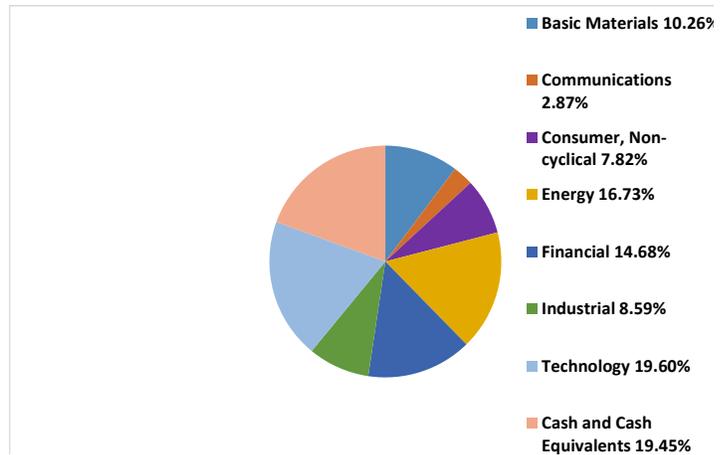
### Top 10 investments (August 31, 2019)

1. CCL Industries.	4.73%
2. Petros hale Inc.	4.68%
3. Howard Hughes	4.61%
4. Exor NV	4.37%
5. Diversified Royalty	3.34%
6. Brookfield Property	3.32%
7. Surge Energy	3.18%
8. Winpak Ltd.	3.09%
9. SS&C Technologies	3.02%
10. Zillow Group Inc.	2.98%

**Total percentage of top 10 Investments** **37.32%**

**Total number of investments** **56**

### Investment mix (August 31, 2019)



### 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 **Medium to High**.

This 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

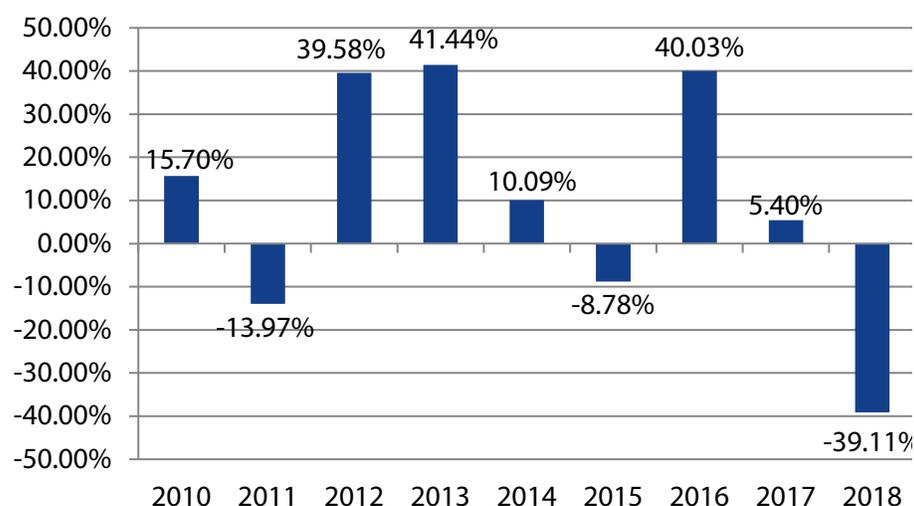
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the money you invest.

## How has the fund performed?

This section tells you how Class B units of the fund have performed over the past 9 years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

### Year-by-year returns

This chart shows how Class B units performed in each of the past 9 calendar years. The Fund dropped in value in 3 of 9 calendar years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



### Best and worst 3-month returns

This table shows the best and worst returns for Class B units of the fund in a 3-month period over the past 9 years. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

	Return	3 months ending	If you invested \$1000 at the beginning of the period
<b>Best return</b>	24.33%	January 31, 2017	Your investment would rise to \$1,243.30
<b>Worst return</b>	-36.39%	December 31, 2018	Your investment would drop to \$636.10

### Average return

The annual compounded return of Class B units was 6.88% since inception of the fund. If you invested \$1,000 in the fund at the inception date, your investment would be \$1,945.20.

### 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

You have to choose a sales charge option when you buy the fund. Ask about the pros and cons of each option.

Sales charge option	What you pay		How it works
	in per cent (%)	in dollars (\$)	
<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>
<b>Low-Load sales charge</b>	<b>If you sell:</b>	\$0 to \$30 on every \$1,000 you sell	<ul style="list-style-type: none"> <li>The deferred sales charge is a set rate. It is deducted from the amount you sell.</li> <li>When you buy the fund, Vertex One Asset Management Inc. pays your representative's firm a commission of 3%. Any deferred sales charge you pay goes to Vertex One Asset Management Inc.</li> </ul>
	< 18 months of buying      3.00% 18 ≤ 36 months              2.00%		

## 2. Fund expenses

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

As of December 31, 2018, Class B expenses were 2.55% of its value. This equals to \$25.50 for every \$1,000 invested.

### Management expense ratio (MER)

**Annual rate (as a % of the fund's value)**

This is the total of the fund's management fee (which includes the trailing commission) and operating expenses.

2.39%

### Trading expense ratio (TER)

These are the fund's trading costs.

0.16%

### Fund expenses

**2.55%**

### 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 1.25% of the average value of Class B units held through your representative's firm for the period. For the low-load sales charge option, no trailer is paid for the first 12 months.

## 3. Other fees

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

### Fee

### What you pay

**Short-term trading fee** At the sole discretion of the manager, you may be charged 2% of the value of units you sell or switch within 30 days of buying them. This fee goes to the 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).