

# VERTEX VALUE FUND

**VERTEX ONE**  
Asset Management Inc.

- Simple Works -

Standard Deviation	Since Inception Return	3-Year Return	5-Year Return
14.12%	13.29%	14.66%	10.84%

## Investment Objectives

The fundamental investment objective of the Vertex Value Fund is to provide long term capital growth by investing primarily in the equity securities of Canadian and United States companies.

## Investment Strategy

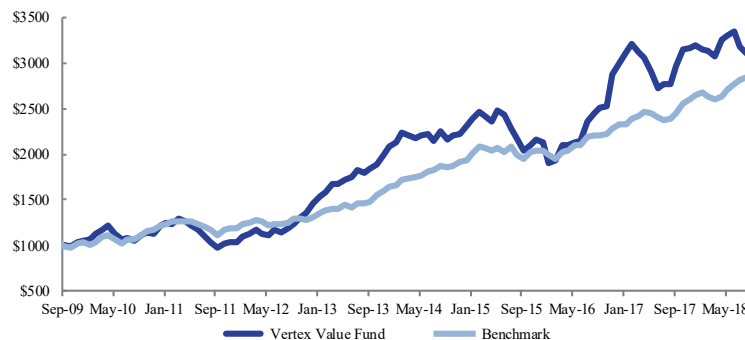
Our investment process involves seeking out primarily equity securities of companies that we determine to be priced at attractive levels relative to the market, their competitors and their growth rates. Companies with annuity like cash flows, strong balance sheets and high dividend yields will be given the greatest weighting.

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

### Cumulative Return Comparison

	Fund	Benchmark
1 month	-0.64%	-0.68%
3 month	-7.71%	2.40%
YTD	-3.49%	7.08%
1 year	3.88%	15.54%
3 year	14.66%	13.31%
5 year	10.84%	13.84%
Since Inception	13.29%	12.13%
Cumulative Return	208.16%	183.01%

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



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	-1.62%	-0.44%	-1.58%	5.61%	1.36%	1.36%	-5.05%	-2.18%	-0.64%				-3.49%
2017	3.96%	2.79%	-2.93%	-2.07%	-5.03%	-5.87%	1.66%	-0.30%	7.34%	6.17%	0.63%	0.75%	6.33%
2016	-10.73%	1.60%	8.74%	-0.03%	1.52%	0.28%	9.83%	4.23%	2.47%	0.46%	13.61%	4.70%	40.69%
2015	3.27%	2.85%	-1.61%	-2.29%	5.05%	-2.00%	-6.35%	-4.68%	-5.87%	2.86%	2.86%	-1.31%	-7.78%
2014	2.62%	4.93%	-1.24%	-1.56%	1.29%	1.00%	-3.40%	4.54%	-3.99%	2.00%	0.93%	4.08%	11.25%
2013	5.27%	3.10%	5.70%	0.11%	2.41%	1.83%	4.43%	-1.13%	2.19%	2.79%	5.17%	4.48%	42.73%
2012	4.61%	3.49%	3.54%	-3.56%	-0.84%	4.34%	-2.47%	4.92%	3.75%	6.24%	3.15%	7.33%	39.69%
2011	3.43%	-1.80%	4.79%	-2.12%	-3.34%	-3.78%	-6.44%	-6.36%	-4.83%	4.80%	0.83%	0.80%	-13.97%
2010	2.57%	4.75%	3.78%	4.27%	-7.06%	-6.03%	1.55%	-1.93%	4.73%	2.57%	-1.42%	8.22%	15.87%

Benchmark: 50% S&P 500 Total Return Index, 50% S&P/TSX Composite Total Return Index

Firm Assets	\$1.22 Billion
Fund Assets	\$253 Million
Type of Fund	North American Value
RSP Eligible	Yes
Pricing Schedule	Daily
Offer Document	Simplified Prospectus
Lock up	No
Redemption Fee	2% fee within 30 days of purchase
Distribution	Annual
Performance Fee	20% of the amount exceeding daily Benchmark
Management Fee	B: 2% F: 1%
Fund Codes	VRT 600(B), VRT 601(F) VRT 602 (Low Load)
Custodian/Administration	CIBC Mellon
Trustee	CIBC Mellon
Inception Date	September 21, 2009
Auditor	PriceWaterhouseCoopers
NAVPU - Class F	\$27.3364
NAVPU - Class B	\$26.3711
Minimum Investment	\$500.00 (initial) \$50.00 (subsequent)

**Portfolio Manager**  
**Matthew Wood**

Mr. Wood is a founder and a director of Vertex One. He has overall responsibility for the investment and trading decisions affecting the Vertex Managed Value Portfolio, Vertex Value Fund and Vertex Enhanced Income Fund. Mr. Wood has over 22 years of experience in dealing with equities, fixed income and derivatives. He began his career as an analyst, and subsequently became a financial advisor with Royal Trust. He was a portfolio manager with HSBC Asset Management before forming Vertex One. Mr. Wood holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and CFA Society of Vancouver.

**Second Quarter Commentary**

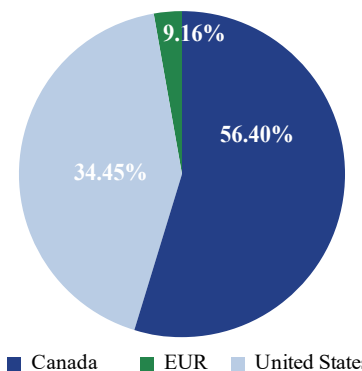
It is an interesting and challenging time to be an investor. A couple hundred stocks have gone up a lot and I mean by \$trillions while thousands of stocks have languished or fallen. When I hear commentators talk about the market, I can only laugh as it is not remotely representative of what's really transpired. The market as represented by the index, is only an indication of "group-think" gone wild as more and more money pours into fewer and fewer stocks. With these Nifty One-Fifty and FAANG (Facebook, Amazon, Apple, Netflix, Google) group of U.S. stocks garnering all the attention and most of the globe's capital, thousands of stocks are trading at levels only available at extreme market bottoms. These stocks are our playground. Nothing is cheaper than energy and nothing is cheaper in energy than Canadian energy.

Outside of energy, many other sectors and stocks look inexpensive, this is a long game and we've no idea when value gets recognized by investors. Further, we've no idea when investors figure out they've all piled into the same stuff without regard to value. We do know from history that these things do get sorted out over time and when it happens, five and even ten years of investment returns can be banked or erased in short order.

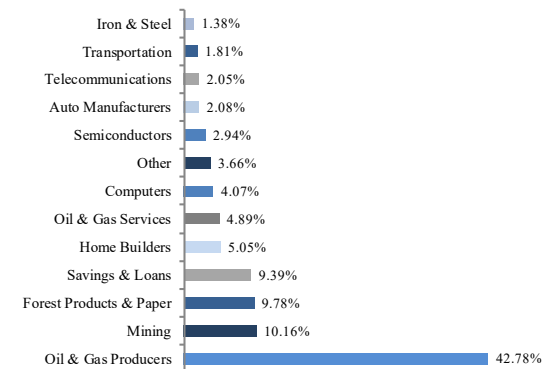
**Example Holdings**

Company Name	Region	Industry	Weight
Axos Financial	United States	Financial	9.39%
Surge Energy	Canada	Energy	7.02%
Noble Corporation	Canada	Energy	5.12%
Blackbird Energy	Canada	Energy	4.10%
Unisys	United States	Technology	4.07%

**Geographic Allocation**



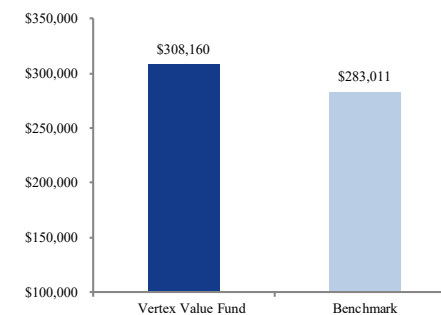
**Sector Allocations**



Statistics	Fund	Benchmark
Beta	1.11	1.00
Sharpe	0.80	1.21
Standard Deviation	14.12%	8.05%
Largest monthly gain	13.61%	5.67%
Largest monthly loss	-10.73%	-4.99%
% positive months	63.30%	68.81%

rf = LIBOR, 1M, USD

**Total Cumulative Return of \$100,000**



**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. Through seven funds 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.

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