

Vertex Value Fund

Semi-Annual Financial Statements
June 30, 2018 (Unaudited)

*These financial statements have not been reviewed by an independent auditor

Vertex Value Fund

Statements of Financial Position

As at June 30, 2018 and December 31, 2017

	June 30, 2018 (unaudited)	December 31, 2017
Assets		
Current assets		
Investments	\$ 268,913,967	\$ 227,948,096
Cash	1,472,225	228,500
Due from broker	-	1,827
Accrued interest	35,783	30,517
Dividends receivable	103,573	59,189
Subscriptions receivable	537,472	1,409,741
Unrealized gain on spot contracts	-	1,079
	<u>271,063,020</u>	<u>229,678,949</u>
Liabilities		
Current liabilities		
Management fees payable (Note 9)	\$ 349,650	\$ 371,016
Redemptions payable	254,635	333,466
Due to broker	-	898,742
	<u>604,285</u>	<u>1,603,224</u>
Net Assets attributable to holders of redeemable units	<u>\$ 270,458,735</u>	<u>\$ 228,075,725</u>
Net Assets attributable to holders of redeemable units per Class		
Class B	\$ 87,929,865	\$ 79,262,855
Class F	<u>\$ 182,528,870</u>	<u>\$ 148,812,870</u>
Net Assets attributable to holders of redeemable units per unit		
Class B	\$ 28.65	\$ 27.54
Class F	<u>\$ 29.62</u>	<u>\$ 28.32</u>

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

"Signed" _____
John W. Thiessen
Director

"Signed" _____
Jeffrey McCord
Director

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

Vertex Value Fund

Statements of Comprehensive Income

For the periods ended June 30 (unaudited)

	2018	2017
Investment income		
Foreign exchange gain on cash	\$ 14,076	\$ 50,160
Change in unrealized foreign exchange loss on cash	(545)	(2,700)
Net gain (loss) on investments		
Dividends	719,259	788,873
Interest for distribution purposes	6,815	30,944
Net realized gain	9,310,168	16,486,689
Net change in unrealized appreciation (depreciation)	2,928,422	(33,911,348)
Total investment income	12,978,195	(16,557,382)
Expenses (Note 9)		
Management fees	1,722,219	1,484,096
Performance fees	-	2,238,653
Securityholder reporting costs	167,712	116,677
Other administrative expenses	35,353	28,067
Audit fees	35,169	38,618
Custody fees	31,996	21,020
Legal fees	17,382	16,024
Trustee fees	3,134	2,690
Independent review committee fees	12,171	9,829
Interest expense	114	111
Transaction costs	171,207	233,141
Withholding tax	9,196	29,809
	2,205,653	4,218,735
Net investment income	10,772,542	(20,776,117)
Increase (Decrease) in net assets attributable to holders of redeemable units	10,772,542	(20,776,117)
Increase (Decrease) in net assets attributable to holders of redeemable units per Class		
Class B	\$ 3,125,605	\$ (7,942,082)
Class F	\$ 7,646,937	\$ (12,834,035)
Increase (Decrease) in net assets attributable to holders of redeemable units per Class per unit		
Class B	\$ 1.08	\$ (2.72)
Class F	\$ 1.35	\$ (3.01)

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

Vertex Value Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the periods ended June 30 (unaudited)

	Class B			
	2018	2017		
Net Assets attributable to holders of redeemable units, beginning of period	\$ 79,262,855	\$ 73,357,939		
Increase (Decrease) in net assets attributable to holders of redeemable units	3,125,605	(7,942,082)		
Capital transactions (Note 8)				
Proceeds from issuance of redeemable units	15,357,024	16,331,339		
Redemption of redeemable units	(9,815,619)	(10,813,886)		
	5,541,405	5,517,453		
Net Assets attributable to holders of redeemable units, end of period	\$ 87,929,865	\$ 70,933,310		
	Class F		Total	
	2018	2017	2018	2017
Net Assets attributable to holders of redeemable units, beginning of period	\$ 148,812,870	\$ 101,773,608	\$ 228,075,725	\$ 175,131,547
Increase (Decrease) in net assets attributable to holders of redeemable units	7,646,937	(12,834,035)	10,772,542	(20,776,117)
Capital transactions (Note 8)				
Proceeds from issuance of redeemable units	35,223,329	34,735,478	50,580,353	51,066,817
Redemption of redeemable units	(9,154,266)	(8,541,494)	(18,969,885)	(19,355,380)
	26,069,063	26,193,984	31,610,468	31,711,437
Net Assets attributable to holders of redeemable units, end of period	\$ 182,528,870	\$ 115,133,557	\$ 270,458,735	\$ 186,066,867

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

Vertex Value Fund

Statements of Cash Flows

For the periods ended June 30 (unaudited)

	2018	2017
Operating activities		
Increase (Decrease) in net assets attributable to holders of redeemable units	\$ 10,772,542	\$ (20,776,117)
Adjustment for non-cash items:		
Net change in unrealized (appreciation) depreciation on investments and derivatives	(2,927,343)	33,911,348
Net realized gain on investments and derivatives	(9,310,168)	(16,486,689)
Change in unrealized foreign exchange (gain) loss on cash	545	2,700
	<u>(1,464,424)</u>	<u>(3,348,758)</u>
Changes in operating assets and liabilities:		
Increase (decrease) in accrued interest	(5,266)	4,349
Increase in dividends receivable	(44,384)	(38,013)
(Decrease) increase in accounts payable and accrued liabilities	-	-
(Decrease) increase in management fee payable	(21,366)	71,653
(Decrease) increase in accrued performance fees	-	(611,301)
	<u>(71,016)</u>	<u>(573,312)</u>
Proceeds on disposition of investments and derivatives, including proceeds received on shorts	18,704,300	46,389,360
Purchase of investments and derivatives, including cover for shorts	(48,328,496)	(74,650,814)
	<u>(29,624,196)</u>	<u>(28,261,454)</u>
Net cash provided to operating activities	<u>(31,159,636)</u>	<u>(32,183,524)</u>
Financing activities		
Proceeds from issuance of redeemable units**	49,076,628	46,384,898
Redemption of redeemable units**	(16,672,722)	(14,215,669)
Net cash from financing activities	<u>32,403,906</u>	<u>32,169,229</u>
Increase (Decrease) in Cash	1,244,270	(14,295)
Change in unrealized foreign exchange (gain) loss on cash	(545)	(2,700)
Cash*, Beginning of period	228,500	355,979
Cash*, End of period	<u>\$ 1,472,225</u>	<u>\$ 338,984</u>
Supplemental Information (included in operating activities)		
Cash paid for interest	114	111
Cash received from interest, net of withholding taxes	1,549	35,293
Cash received from dividends, net of withholding taxes	665,679	721,051

* 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 June 31, 2018 amounting to \$2,375,994 (June 30, 2017 - \$4,241,076)

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

Vertex Value Fund
Schedule of Investments
As at June 30, 2018 (Unaudited)

Number of Shares/ Par Value	Description	Coupon Rate %	Maturity Date	Average Cost \$	Fair Value \$	% of Total
BONDS						
Canada Bonds						
Corporate Bonds						
230,000	Energypulse Technologies, Convertible	6.000%	19-Feb-18	289,455	30	
100,000	Bellatrix Exploration Ltd., Term Loan	8.500%	15-May-20	88,750	88,082	
300,000	Rockshield Engineered Wood Products UCL	18.000%	15-Sep-17	300,000	264,000	
35,841	Rockshield Engineered Wood Products ULC, Convertible	30.000%	31-Jan-18	35,841	35,841	
93,635	Rockshield Engineered Wood Products UCL	30.000%	28-Feb-18	93,635	93,635	
	TOTAL Corporate Bonds			807,681	481,588	0.18
	TOTAL BONDS			807,681	481,588	0.18
STOCKS						
CONSUMER DISCRETIONARY						
202,232	Beazer Homes USA Inc.			3,657,162	3,921,498	
15,000	BG Staffing Inc.			350,352	458,484	
66,560	M.D.C. Holdings Inc.			1,951,589	2,692,471	
258,752	REV Group Inc.			6,140,030	5,786,263	
250,000	Unisync Corp.			500,000	900,000	
	TOTAL CONSUMER DISCRETIONARY			12,599,133	13,758,716	5.09
ENERGY						
504,920	Athabasca Oil Corp.			498,950	908,856	
580	Baytex Energy Corp.			2,100	2,535	
550,000	Bellatrix Exploration Ltd.			873,310	726,000	
525,000	Birchcliff Energy Ltd.			1,609,078	2,530,500	
31,001,590	Blackbird Energy Inc.			8,781,033	12,400,636	
7,823,357	Blackbird Energy Inc., Warrants (19May21)			110,757	1,408,204	
10,500	Bonterra Energy Corp.			159,635	179,340	
213,000	Calfrac Well Services Ltd.			945,354	1,188,540	
1,432,443	Chinook Energy Inc.			511,853	286,489	
1,171,868	Delphi Energy Corp.			1,360,640	1,031,244	
93,379	Diamond Offshore Drilling Inc.			1,902,310	2,560,788	
496,211	Enesco PLC, Class 'A'			3,962,392	4,736,016	
38,100	Granite Oil Corp.			74,131	115,824	
155,500	High Arctic Energy Services Inc.			797,022	594,010	
218,400	Hornbeck Offshore Services Inc.			1,153,870	1,136,993	
5,179,849	Ikkuma Resources Corp.			1,654,047	1,709,350	
3,694,883	InPlay Oil Corp.			5,780,618	6,835,534	
160,516	Kelt Exploration Ltd.			1,048,958	1,433,408	
2,123,868	Leucrotta Exploration Inc.			2,906,583	4,162,781	
5,000	Macro Enterprises Inc.			9,350	14,600	
130,000	Nabors Industries Ltd.			1,171,618	1,095,498	
1,430,112	Noble Corp. PLC			9,776,712	11,901,012	
6,720	Now Inc.			87,767	117,763	
1,513,220	Obsidian Energy Ltd.			1,972,174	2,254,698	
2,736	Oil States International Inc.			88,013	115,460	
2,483,819	Painted Pony Energy Ltd.			7,254,139	5,663,107	
111,266	Patterson-UTI Energy Inc.			2,726,337	2,632,965	
2,946,191	Petroshale Inc.			3,417,417	6,187,001	
1,325,500	Petrus Resources Ltd.			1,659,758	1,338,755	
9,029,007	Pine Cliff Energy Ltd.			3,385,261	3,205,297	
113,259	Precision Drilling Corp.			475,880	492,677	
303,400	Raging River Exploration Inc.			1,728,332	1,729,380	
211,667	Razor Energy Corp.			563,226	571,501	
8,333,400	Return Energy Inc.			1,000,008	625,005	
8,333,400	Return Energy Inc., Warrants (10Mar18)			-	8	
6,720	Superior Energy Services Inc.			84,603	86,048	
6,692,357	Surge Energy Inc.			16,549,683	15,927,809	
2,100,700	Tidewater Midstream and Infrastructure Ltd.			2,772,241	2,604,868	
340,000	Torchlight Energy Resources Inc.			495,123	607,894	
267,376	Transocean Ltd.			4,085,223	4,724,239	
3,736,452	Trinidad Drilling Ltd.			7,607,005	6,987,165	
1,328,829	Yangarra Resources Ltd.			1,822,029	7,361,713	
	TOTAL ENERGY			102,864,540	120,191,511	44.44
FINANCIALS						
535,362	Boff Holding Inc.			12,967,973	28,793,016	
177,767	CatchMark Timber Trust Inc., Class 'A'			2,547,049	2,975,019	
75,000	Decisive Dividend Corp.			300,000	309,000	
575,000	Energypulse Technologies Inc.			-	3,024	
250,000	Trakopolis IoT Corp.			250,000	212,500	
	TOTAL FINANCIALS			16,065,022	32,292,559	11.94
HEALTH CARE						
9,103	Gilead Sciences Inc.			813,012	847,761	
	TOTAL HEALTHCARE			813,012	847,761	0.31

Vertex Value Fund
Schedule of Investments
As at June 30, 2018 (Unaudited) (continued)

Number of Shares/ Par Value	Description	Average Cost \$	Fair Value \$	% of Total
INDUSTRIAL				
95,240	Boardwalktech Software Corp.	500,010	485,724	
221,405	Century Communities Inc.	4,918,308	9,183,261	
1,475,050	Conifex Timber Inc.	9,707,461	8,693,294	
37,000	General Electric Co.	630,112	662,018	
104,284	Prairie Provident Resources Inc.	285,905	41,192	
	TOTAL INDUSTRIAL	16,041,796	19,065,489	7.05
INFORMATION TECHNOLOGY				
13,826	Arrow Electronics Inc.	1,373,596	1,368,316	
136,163	CalAmp Corp.	2,684,674	4,194,127	
78,858	Flextronics International Ltd.	1,203,259	1,462,793	
374,938	LightPath Technologies Inc., Class 'A'	606,405	1,133,698	
40,199	Qorvo Inc.	1,234,858	4,236,793	
29,458	Skyworks Solutions Inc.	1,167,636	3,742,961	
414,186	Unisys Corp.	4,689,951	7,024,174	
	TOTAL INFORMATION TECHNOLOGY	12,960,379	23,162,862	8.56
MATERIALS				
300,000	1038050 B.C. Ltd.	300,000	21,000	
142,727	Canfor Corp.	2,554,161	4,515,882	
4,207,594	Copper Mountain Mining Corp.	5,630,176	5,217,417	
737,500	Copper Mountain Mining Corp., Warrants (02Aug19)	-	376,125	
1,153,571	DelphX Capital Markets Inc.	403,750	980,535	
2,210,916	Diamcor Mining Inc.	2,050,990	867,785	
422,842	Diamcor Mining Inc.	147,995	152,223	
434,500	Diamcor Mining Inc., Warrants (30Dec17)	-	-	
82,723	Diamcor Mining Inc., Warrants (31Aug19)	-	-	
588,235	Diamcor Mining Inc., Warrants, (09Jun20)	-	1	
211,421	Diamcor Mining Inc., Warrants, (28May21)	-	-	
5,555,556	Gensource Potash Corp.	500,000	777,778	
5,555,556	Gensource Potash Corp., Warrants (19Sep18)	-	6	
166,667	Golden Arrow Resources Corp., Warrants (28Jan18)	-	-	
415,458	Interfor Corp.	4,861,743	10,490,315	
230,026	MAG Silver Corp.	1,859,439	3,266,369	
141,795	Major Drilling Group International Inc.	866,639	984,057	
612,999	McEwen Mining Inc.	1,130,974	1,667,357	
666,666	Miramont Resources Corp.	200,000	183,333	
666,666	Miramont Resources Corp., Warrants, Restricted, (14Nov18)	-	-	
4,533,668	Northern Dynasty Minerals Ltd.	7,112,643	3,228,037	
1,537,500	Northern Dynasty Minerals Ltd.	2,820,459	1,091,625	
24,238,933	Red Eagle Mining Corp.	13,670,667	4,484,203	
8,079,644	Red Eagle Mining Corp., Warrants, (07Aug22)	-	8	
590,127	Rise Gold Corp.	118,025	56,591	
1,250,000	Rise Resources Inc., Warrants (23Dec18)	-	1	
100,101	Schnitzer Steel Industries Inc., Class 'A'	2,241,081	4,434,845	
571,400	Sherritt International Corp.	799,960	634,254	
285,700	Sherritt International Corp., Warrants, (25Jan21)	-	68,568	
362,700	Source Energy Services Ltd.	2,025,919	1,802,619	
5,886,410	Taseko Mines Ltd.	7,271,751	8,240,974	
2,078,945	Western Forest Products Inc.	3,831,571	5,571,573	
	TOTAL MATERIALS	60,397,943	59,113,481	21.86
	TOTAL STOCKS	221,741,825	268,432,379	99.25
	TOTAL INVESTMENTS BEFORE TRANSACTION COSTS	222,549,506	268,913,967	99.43
	Transaction Costs (Note 2)	(711,477)		
	TOTAL INVESTMENTS	221,838,029	268,913,967	99.43
	CASH		1,472,225	0.54
	OTHER ASSETS, LESS LIABILITIES		72,543	0.03
	TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	221,838,029	270,458,735	100.00

*Denotes manually priced securities using a fair valuation model

Vertex Value Fund

Notes to Financial Statements

June 30, 2018 (Unaudited)

1. Establishment of the Fund

The Vertex Value Fund (the “Fund”) was created on September 14, 2009 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 September 21, 2009. The Fund currently offers an unlimited number of Class B and Class F Units.

The investment objective of the Fund is to provide long term capital growth by investing primarily in equity securities of Canadian and other North American companies.

2. Basis of presentation and adoption of IFRS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published 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 interim financial statements were authorized for issue by the Manager on August 21, 2018.

3. Significant accounting policies

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

a) Classification

The classification of a financial instrument depends upon its characteristics as well as the purpose for which it was acquired. This initial classification is not subsequently changed except in very limited circumstances.

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments (“IFRS 9”). Upon initial recognition, financial instruments are classified as fair value through profit or loss (“FVTPL”).

The Fund’s policy requires the Manager 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.

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Notes to Financial Statements

June 30, 2018 (Unaudited)

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.

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 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 except for zero coupon bonds which are amortized. 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

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.

Vertex Value Fund

Notes to Financial Statements

June 30, 2018 (Unaudited)

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.

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;

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Notes to Financial Statements

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- 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 June 30, 2018, the aggregate dollar value of portfolio securities lent and the collateral held under securities transactions were nil of equity securities (December 31, 2017 - \$nil) and nil of government debt securities (December 31, 2017 - \$nil) respectively. Income earned from securities lending is included in securities lending income in the Statements of Comprehensive Income. There were no income earned from securities lending during the periods ended June 30, 2018 and December 31, 2017.

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

Increase in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase 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.

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Notes to Financial Statements

June 30, 2018 (Unaudited)

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

The Fund issues two 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 daily. 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 June 30, 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 IAS32 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 Statement of Financial Position. As at December 31, 2017 and December 31, 2016, the Fund had \$nil of unused capital losses which have no expiry and \$nil of non-capital losses.

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.

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4. Future Accounting Change

IFRS 9 Transition

Effective January 1, 2018, the Fund adopted IFRS 9 Financial Instruments. The new standard requires financial assets to be carried at amortized cost or fair value, with changes in fair value recognized in fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgement.

Upon transition to IFRS 9, the Fund's financial assets and financial liabilities were classified as FVTPL. This classification differs from the classification under the previous IAS 39, therefore there were changes in categorization of certain financial assets and financial liabilities upon transition to IFRS 9. Effective January 1, 2018, all financial assets that had previously been designated as FVTPL and all financial assets and liabilities that were previously classified as financial assets and financial liabilities at amortized cost were reclassified as FVTPL. Derivative assets and derivative liabilities that were previously considered as held-for-trading financial instruments and were classified as FVTPL remain unchanged upon transition to IFRS 9.

There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

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 derivatives and securities not quoted in an active market

The Fund holds financial instruments that are not quoted in active markets, including derivatives. 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

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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.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IFRS 9. The Manager has assessed the Fund’s business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund’s financial instruments.

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 June 30, 2018 and December 31, 2017.

Financial assets at fair value as at June 30, 2018					
	Level 1	Level 2	Level 3	Total	
Stocks - Long	\$ 266,558,458	\$ -	\$ 21,000	\$ 266,579,458	
Bonds	-	88,082	393,506	481,588	
Warrants	1,476,772	376,149	-	1,852,921	
	\$ 268,035,230	\$ 464,231	\$ 414,506	\$ 268,913,967	

Financial assets at fair value as at December 31, 2017					
	Level 1	Level 2	Level 3	Total	
Stocks - Long	221,493,984	\$ 3,293,333	\$ 515,000	\$ 225,302,317	
Bonds	-	-	350,130	350,130	
Warrants	1,369,087	926,562	-	2,295,649	
	\$ 222,863,071	\$ 4,219,895	\$ 865,130	\$ 227,948,096	

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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.

Forward contracts - The fair value of forward foreign exchange contracts is determined using the forward exchange rates at the measurement date, with the resulting value discounted back to present value.

Options and other over-the-counter derivatives - Options and other over-the-counter derivatives are classified as level 1 when they are exchanged 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 of \$21,000 at June 30, 2018, (\$15,000 - December 31, 2017) and consists of private equity positions. The Fund utilizes comparable trading multiples in

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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 of \$393,506 at June 30, 2018, (\$350,130 - December 31, 2017) consists of corporate bonds. The Fund values these instruments using the net debt to EBITDA. The Fund considers liquidity, credit and market risk factors, and adjusts the valuation model as deemed necessary.

Warrants

Warrants classified within Level 3 amount to \$nil for June 30, 2018, (nil - December 31, 2017) have significant unobservable inputs, as the underlying securities trade infrequently or are privately held. 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. A sensitivity analysis for Level 3 warrants is not presented as it was deemed the impact of reasonable changes in inputs would not be significant.

The following table presents the sensitivity analysis for level 3 securities with significant unobservable inputs as at June 30, 2018 and December 31, 2017:

Description	Fair Value at June 30, 2018	Valuation Techniques		Unobservable Inputs	Weighted average input	Reasonably possible shift +/-= (absolute value)	Change in the valuation (+/-)
Equities	\$21,000	Comparable trading multiples		Enterprise value to EBITDA	13.0	1	\$1,469
Debt Securities	\$393,506	Net debt to EBITDA		Sales Multiple	11.5	1	\$19,663

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Description	Fair Value at December 31, 2017	Valuation Techniques		Unobservable Inputs	Weighted average input	Reasonably possible shift +/-= (absolute value)	Change in the valuation (+/-)
Equities	\$15,000	Comparable trading multiples		Enterprise value to EBITDA	13.0	1	\$1,049
Debt Securities	\$350,130	Net debt to EBITDA		Sales Multiple	11.5	1	\$17,496

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.

Reconciliation of Level 3 fair value measurements

The following is a reconciliation of Level 3 fair value measurements from December 31, 2017 to June 30, 2018:

	Fair value measurements using level 3 inputs			
	Warrants	Equities - long	Bonds	Total
Balance at December 31, 2017	\$ -	\$ 515,000	\$ 350,130	\$ 865,130
Sales	-	-	-	-
Purchases	-	-	46,237	46,237
Transfers out	-	(500,000)	-	(500,000)
Gains (Losses)				
Realized	-	-	-	-
Unrealized	-	6,000	(2,861)	3,139
Balance at June 30, 2018	\$ -	\$ 21,000	\$ 393,506	\$ 414,506
Total change in unrealized gain (loss) during the year for assets held at June 30, 2018	\$ -	\$ 6,000	\$ (2,861)	\$ 3,139

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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	Total
Balance at December 31, 2016	\$ 270,913	\$ 300,000	\$ 1,072,126	\$ 1,643,039
Sales	-		(1,063,300)	(1,063,300)
Purchases	-	500,000	383,239	883,239
Transfers out	(270,362)			(270,362)
Gains (Losses)				
Realized	-		797	797
Unrealized	(551)	(285,000)	(42,733)	(328,284)
Balance at December 31, 2017	\$ (0)	\$ 515,000	\$ 350,130	\$ 865,130
Total change in unrealized gain (loss) during the year for assets held at December 31, 2017	\$ -	\$ (285,000)	\$ (36,193)	\$ (321,193)

The following were the transfers between Levels 1 and 2 for assets and liabilities held at June 30, 2018 :

	Transfer from level 1 to level 2	Transfer from level 2 to level 1
	2018	2018
Equities - Long	\$ -	\$ 183,333

There were no transfers between Levels 1 and 2 for assets and liabilities held at December 31, 2017.

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 includes amounts representing unit subscriptions, unit redemptions, undistributed net income, undistributed realized gains (losses) on sale of investments and unrealized

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appreciation (depreciation) in value of investments. Units are redeemable daily. 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 period:

	June 30, 2018		June 30, 2017	
	Class B	Class F	Class B	Class F
Units-Beginning of period	2,877,671	5,254,270	2,755,416	3,693,068
Redeemable units issued	544,067	1,229,686	590,503	1,215,071
Redeemable units reinvested	-	-	-	-
Redeemable units redeemed	(352,755)	(321,642)	(402,314)	(307,510)
Units-End of period	3,068,983	6,162,314	2,943,605	4,600,629

Certain directors and/or related parties of the Fund held 14.05% of the Fund units at June 30, 2018 (December 31, 2017 –15.98%).

9. Fees and expenses

a) Management fees

Pursuant to the terms of a management agreement, the Fund pays to the Manager, monthly in arrears, a base management fee for services, including the provision of key management personnel. The management fee may vary from class to class and for each of the existing classes of units is as follows:

Class B: 1/365 of 2% (2% per annum) of the NAV of the Class B Units on the preceding business day plus applicable taxes.

Class F: 1/365 of 1% (1% per annum) of the NAV of the Class F Units on the preceding business day plus applicable taxes.

The management fees incurred for the period ended June 30, 2018 were \$1,722,219 (June 30, 2017 – \$1,484,096) of which \$349,650 (December 31, 2017 – \$371,016) were outstanding as at period end.

b) Performance fees

The Fund will pay to the Manager a performance fee, plus applicable taxes, in relation to each class of units that is equal to 20% of the amount by which the total return of the class of units exceeds the total percentage increase or decrease of the following benchmarks having the following components, for the period since the performance fee was last paid.

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- 50% weighting - S&P 500 Total Return Index (or its successor indices, as applicable)
- 50% weighting - S&P/TSX Composite Total Return Index (or its successor indices, as applicable)

If at any time the performance of the Fund is less than its benchmark, then no performance fee will be payable until the performance of the Fund relative to its benchmark has exceeded the amount of the deficiency.

The performance fees incurred for the period ended June 30, 2018 were nil (June 30, 2017 – \$2,238,653) of which nil (June 30, 2017 - \$nil) were outstanding as at period end.

c) Other fees and expenses

The Fund is responsible for the payment of all fees and expenses relating to its operation, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by the Manager), recordkeeping, legal fees and expenses, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of Units (except for formation and organization costs and costs associated with the preparation and filing of the simplified prospectus and the annual information form), 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, all brokerage and other fees relating to the purchase and sale of the assets of the Fund, and the fees and expenses of the IRC. 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).

At the discretion of the Manager, no expenses were absorbed during the periods ended June 30, 2018 and December 31, 2017.

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 \$7,415 (June 30, 2017 – \$1,256) soft dollar commissions paid during the period.

11. Financial risk management

The Fund's financial instruments consist of investments, cash, accrued interest and dividends receivable, subscriptions receivable, other assets, 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 other price risk, interest

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rate 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. 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 June 30, 2018, if the market price of 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 \$13,421,619 (December 31, 2017 - \$11,379,898). Actual results may differ from this sensitivity analysis and those results could be material.

(b) Interest rate risk

As at June 30, 2018, 0.18% (December 31, 2017 – 0.15%) of the Fund’s investment portfolio consists of interest bearing corporate bonds and foreign 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 June 30, 2018				
Financial Assets				
Bonds*	\$ 393,506	\$ 88,082	\$ -	\$ 481,588

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	Less than 1 year	1 - 5 years	More than 5 years	Total
As at December 31, 2017				
Financial Assets				
Bonds*	\$ 350,130	\$ -	\$ -	\$ 350,130

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

At June 30, 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 \$379 (December 31, 2017 - \$22). Actual results may differ from this sensitivity analysis and those results could be material. The Fund's managers review 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 June 30, 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 June 30, 2018					
	Monetary exposure	Non-monetary exposure	Net currency exposure	% of Net assets attributable to holders of redeemable units	5% Decrease /increase
US Dollar	\$ 138,548	\$ 115,951,318	\$ 116,089,866	42.92%	\$ 5,804,493
Total	\$ 138,548	\$ 115,951,318	\$ 116,089,866	42.92%	\$ 5,804,493

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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
US Dollar	\$ (848,660)	\$ 96,156,477	\$ 95,307,818	41.79%	\$ 4,765,391
Total	\$ (848,660)	\$ 96,156,477	\$ 95,307,818	41.79%	\$ 4,765,391

(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, preferred shares, 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 is 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	
	June 30, 2018	December 31, 2017
Below BBB	0.03%	0.00%
N/R	0.15%	0.15%
Total	0.18%	0.15%

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 102 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/lent 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.

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(e) *Liquidity risk*

Liquidity risk is the risk that a 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 and securities sold short 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 June 30, 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 June 30, 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.

	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
As at June 30, 2018					
Liabilities					
Accrued management fees	\$ -	\$ 349,650	\$ -	\$ -	\$ 349,650
Redemptions payable	-	254,635	-	-	254,635
Redeemable units	270,458,735	-	-	-	270,458,735

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	On demand	Less than 3 months	3 - 12 months	More than 12 months	Total
As at December 31, 2017					
Liabilities					
Accrued management fees	\$ -	\$ 371,016	\$ -	\$ -	\$ 371,016
Due to broker	-	898,742	-	-	898,742
Redemptions payable	-	333,466	-	-	333,466
Redeemable units	228,075,725	-	-	-	228,075,725

(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	As at
	June 30, 2018	December 31, 2017
Bonds - Corporate Bonds	0.18	0.15
Stocks - Consumer Discretionary	5.09	5.70
Stocks - Energy	44.44	35.41
Stocks - Financials	11.94	11.87
Stocks - Health Care	0.31	0.22
Stocks - Industrial	7.05	6.63
Stocks - Information Technology	8.56	8.50
Stocks - Materials	21.86	31.46
Cash	0.54	0.10
Other Assets, Less Liabilities	0.03	(0.04)
	<u>100.00</u>	<u>100.00</u>

12. Increase (decrease) 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 periods ended June 30, 2018 and June 30, 2017 is calculated as follows:

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Class B		June 30, 2018		June 30, 2017
Increase (decrease) in net assets attributable to holders of redeemable units	\$	3,125,605	\$	(7,942,082)
Weighted average units outstanding during the period		2,895,716		2,924,936
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$	1.08	\$	(2.72)

Class F		June 30, 2018		June 30, 2017
Increase (decrease) in net assets attributable to holders of redeemable units	\$	7,646,937	\$	(12,834,035)
Weighted average units outstanding during the period		5,679,417		4,267,934
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$	1.35	\$	(3.01)