

## **Vertex One Asset Management Inc. – Press Release**

### **PenderFund to Acquire Five Vertex One Investment Funds**

**VANCOUVER, August 26, 2019 /CNW/** – Vertex One Asset Management, Inc. ("Vertex One") and PenderFund Capital Management Ltd. ("Pender") announced today that they have entered into an agreement (the "Agreement") whereby Pender will acquire the investment fund management contracts for five investment funds managed by Vertex One: the Vertex Value Fund, Vertex Enhanced Income Fund and Vertex Growth Fund, which are offered publicly pursuant to a simplified prospectus dated June 28, 2019 (the "Simplified Prospectus"), and the Vertex Fund and Vertex Managed Value Portfolio, which are offered privately pursuant to prospectus exemptions (these five funds, collectively, the "Vertex Funds").

Upon completion of the proposed transaction (the "Transaction"), and subject to receipt of all regulatory and unitholder approvals, Pender will become the investment fund manager and portfolio manager of the Vertex Funds. The Transaction is expected to close in the fourth quarter of 2019, subject to customary closing conditions, including regulatory and unitholder approvals.

On July 1, 2019, Pender was appointed as sub-advisor for the Vertex Value Fund, Vertex Enhanced Income Fund and Vertex Managed Value Portfolio.

"Since Pender began serving as sub-advisor to the Vertex Value Fund, Vertex Enhanced Income Fund and Vertex Managed Value Portfolio, we have come to recognise the depth of experience and knowledge that Pender brings as an investment manager" said John Thiessen. "We are excited for this new chapter for our funds and the excellent track record and expertise that Pender will leverage to deliver value, income and growth to our clients."

Currently, Pender and Vertex One are contemplating merging the Vertex Fund, Vertex Growth Fund and the Vertex Enhanced Income Fund into the Pender Strategic Growth & Income Fund as part of the Transaction. No final determination has yet been made in this regard and a further announcement will be made in the near future as soon as Pender and Vertex One determine if and when to proceed with these mergers. The Agreement also gives Pender an option to merge any of the Vertex Funds into one or more funds managed by Pender, subject to regulatory and unitholder approvals.

"With global interest rates pushing towards zero, money is finding a home in positive yield. The Pender Strategic Growth & Income Fund combines the best equity ideas of Dave Barr and Felix Narhi with a fixed income allocation managed by one of Canada's fastest growing fixed income managers, Geoff Castle. Having worked with Geoff Castle and Dave Barr extensively, I believe a merged super fund would be the perfect combination of growth and income and, as the largest unitholder of such a merged fund, it's where I want my money" said John Thiessen.

"We are excited to build on the legacy of disciplined, value-based active management by the Vertex One team" said David Barr, President and Portfolio Manager, Pender. "Moving forward we will be applying the Pender investment process to the funds and look forward to protecting and growing unitholder wealth over the long term."

After completion of the proposed acquisition and, subject to regulatory approval, John Thiessen, co-founder of Vertex One and current portfolio manager of the Vertex Fund and Vertex Growth Fund will serve as an independent advisor to Pender and the Pender Strategic Growth & Income Fund.

The Transaction is subject to the receipt of all necessary regulatory approvals and approval by the unitholders of each of the Vertex Funds. Special meetings of unitholders of each of the Vertex Funds will

be held to consider and approve the proposed material changes. Details about the proposed changes will be contained in meeting materials to be mailed in the near future to unitholders of the Vertex Funds. Unitholders of the Vertex Funds may also be asked to approve certain other material changes which may be announced in due course.

Additional details regarding the proposed Transaction and the other changes affecting the Vertex Value Fund, Vertex Enhanced Income Fund and the Vertex Growth Fund will be set out in amendments to the Simplified Prospectus, Annual Information Form and Fund Facts, which will be available at [www.sedar.com](http://www.sedar.com). The independent review committee of these three funds will also review the Transaction.

#### **About PenderFund Capital Management Ltd.**

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Our goal is to protect and grow wealth for our investors over time. We have a talented investment team of expert analysts, security selectors and independent thinkers who actively manage our suite of niche investment funds, exploiting inefficient parts of the investing universe to achieve our goal. Visit [www.penderfund.com](http://www.penderfund.com)

#### **About Vertex One Asset Management Inc.**

As one of the longest-running alternative investment managers in Canada, Vertex One Asset Management is proud to be a Canadian-run, employee-owned firm, delivering over 20 years of quality alternative investment solutions for retail and institutional investors.

#### **Media enquiries:**

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*Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Fund Facts and the Simplified Prospectus for the funds before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Information in this news release, other than statements of historical fact, may be forward-looking information. Forward-looking information contained in this news release includes, but is not limited to, statements regarding the completion of the acquisition of the investment fund management contracts for the Vertex Funds by Pender, the appointment of Pender as the investment fund manager and portfolio manager of the Vertex Funds, the contemplated mergers, including the proposed mergers of the Vertex Enhanced Income Fund, Vertex Growth Fund and Vertex Fund into the Pender Strategic Growth & Income Fund, the appointment of Mr. Thiessen as an independent advisor to Pender and the Pender Strategic Growth & Income Fund, the proposed special meetings of unitholders of the Vertex Funds, the mailing of meeting information in connection with these meetings, unitholder and regulatory approval for the proposed transactions, and the completion of the proposed transactions. By their very nature statements that constitute forward-looking information are subject to numerous risks and uncertainties, some of which are beyond Vertex One's and Pender's control. These risks include, but are not limited to, the ability of Vertex One and Pender to obtain unitholder and regulatory approval for the proposed transactions, and the satisfaction of the other conditions of set out in the Agreement. Although forward-looking information contained in this press release is based upon what management of Vertex One believes are*

*reasonable assumptions, there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Any forward-looking information in this news release is provided as at the date of this news release, based upon the opinions and estimates of management and information available to management as at the date of this news release. Vertex One and Pender undertake no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on forward-looking information contained in this news release.*