

VERTEX GROWTH FUND

Fourth Quarter Report, 2010

If you find yourself visiting the National Archaeological Museum in Athens, a memorable artifact to see is the Mask of Agamemnon. It's impressive. Not because it was supposedly buried with the legendary Greek Agamemnon; the supposed leader of a supposed war, supposedly involving a horse. It is because it's made of pure, unadulterated Gold. Gold that was smelted and reshaped to model a face at least 3500 years ago and still looks brand new today. That is the inherent quality of Gold that makes it so attractive to jewelers, fashionistas, and investors alike - it does not oxidize or diminish in quality (not like inked paper). Palladium shares a similar quality, but is too expensive for collecting. Silver is however the cheaper cousin of Gold and has become increasingly popular in the investment community as an alternate safe haven investment. What is interesting about Silver though is that unlike Gold it has industrial application and demand, which, when mixed with current investor demand is creating a supply/demand imbalance that is pushing the price of Silver disproportionately higher than Gold's. And that is why we invested in Silver, namely through Silver Wheaton Corp, and have enjoyed healthy gains as the result.

The Gold bull market won't last forever, as it is purely a reactionary investment, but as long as the concern of inflation as the only way out of government debt remains palpable, Gold and Silver will be good places to investment one's money. With that in mind, our holding in AngloGold Ashanti Preferred shares (a world class, international gold producer/explorer) continues to be a favourite of ours. It has a 5.8% yield, so we are paid as we wait for full convertibility into AngloGold common shares.

2010 was an exciting year for the Growth Fund. With its first full calendar year of operation under its belt, the fund ended with a return of 41.34% (F Class), which was #2 in its category of "North American Equity" for 2010. Although significant gains throughout the year can be attributed to the strength in our resource holdings, there were other contributors completely unrelated to the materials section. Dillard's, Inc. has been a fantastic investment, more than doubling in 2010. A clothing and home furnishing company operating 296 retail stores and 14 clearance centers across 29 states, Dillard's has been a value play. Despite a significant increase in share pricing out of the 2008 trough, the shares have remained highly undervalued. Owning 78% of its real estate, they just announced the formation of a wholly owned Real Estate Investment Trust which has pushed shares higher. Notwithstanding, we still see a further 50% upside from here.

Vermillion Energy Inc. operates oil and gas properties around the world, notably in France. Investors have yet to appreciate the growth and potential from their French properties. Going forward, we anticipate step-change production results coming from Vermillion to push the stock higher. And while we wait we'll collect a 5% coupon, a nice remnant left from its conversion from an Income Trust to a Corporation in September.

Lastly, we couldn't go without mentioning Apple's incredible performance, not only with respect to its share price, but as a company. Much has been said about Apple throughout its history as its status has shifted from personal computer innovators in the 80s, to financial flounders in the

90s, to the renaissance of Steve Job's in the 2000's with the creation of culturally iconic peripherals. One would think that with the multi-platform success Apple has witnessed over the last decade designing elegant portable devices, their future growth would be limited. However, Apple is really just entering its next business phase, where it will envelop the general population into its operating system stealing major market share from Windows. Apple has created a universe of connectivity and platform integration that has given them the edge over all other tech companies. Whatever Steve Jobs' health situation is going forward, the company will continue to succeed because of the foundation he has laid for a cultural shift in technological preference. He has spread the brand into the personal computer, mobile, music, television, portable computing, and newsprint markets. And, unlike Google all of its devices are cooperative and profitable. The iPad along with the iPhone will drive sales for the next decade, as the iPad becomes a true PC/laptop killer over its next iterations.

Looking forward into 2011 we see many opportunities for growth investing and we are upbeat on the prospects for the Fund.

PERFORMANCE (Class F)

Net Asset Value	1 Month	3 Month	6 Month	Year-to-Date	Since Inception*
\$14.2799	7.40%	18.28%	33.82%	41.34%	42.98%

* Not annualized

Distribution: \$0.00

This statistical information is intended to provide you with information about the Vertex Growth Fund. Important information about the Fund is contained in the Simplified Prospectus which should be read carefully before investing. You can obtain an offering memorandum 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 funds are not guaranteed; their values change frequently and past performance may not be repeated.