

VERTEX MANAGED VALUE PORTFOLIO

VERTEX ONE
Asset Management Inc.

- Value Works -

Since Inception Return	Total Cumulative Return	5 Year Return	Standard Deviation
8.89%	415.82%	13.94%	11.94%

Investment Objectives

The principle objective is to provide growth of capital while minimizing volatility through investment in a combination of equities and income securities, while maintaining an opportunistic outlook for unique investment situations. Using a common sense, businesslike approach, our core belief is that return is generated through company earnings, not stock trading; thus turnover is limited.

Investment Strategy

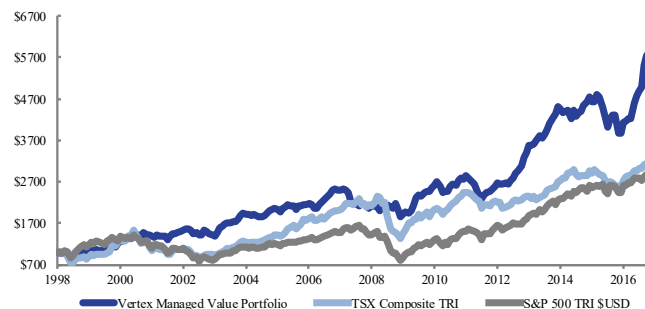
Emphasis is placed on equities trading at values of under two-thirds of the general market, that also have annuity stream revenues with lower debt and higher dividends. This results in a portfolio concentrated on fewer sectors of the overall economy such as food, drugs, utilities and financial services. Income is achieved through many avenues: investments in conventional government and corporate bonds, as well as preferred, convertible and broken convertible securities. In addition, the Fund will take advantage of opportunities in higher-yielding equities, securities lending and covered-call writing.

Performance (Net of fees and includes reinvested distributions)

Comparison to Benchmarks

	Fund	S&P 500 TRI (\$USD)	S&P/TSX Composite TRI
1 month	-2.71%	0.62%	-0.75%
Year to date	-10.13%	9.34%	0.74%
1 year	22.10%	17.90%	11.05%
3 year	5.25%	9.61%	3.08%
5 year	13.94%	14.63%	8.74%
10 year	7.74%	7.18%	3.89%
15 year	8.47%	8.34%	7.95%
Since Inception	8.89%	6.76%	6.19%
Cumulative Return	415.82%	216.11%	217.48%

Growth of \$1,000 Since Inception



Calendar Year Returns

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Managed Value Portfolio	-10.13%	33.52%	-5.57%	7.14%	37.51%	25.09%	-9.36%	10.30%	13.52%	1.84%	-14.24%	18.00%	5.19%	11.15%	20.49%	2.91%
S&P 500 (\$USD)	9.34%	11.96%	1.38%	13.69%	32.39%	16.00%	2.11%	15.06%	26.46%	-37.00%	5.49%	15.79%	4.91%	10.88%	28.68%	-22.10%
S&P/TSX	0.74%	21.08%	-8.32%	10.55%	12.99%	7.19%	-8.71%	17.61%	35.05%	-33.00%	9.83%	17.26%	24.13%	14.48%	26.72%	-12.44%

Firm Assets	\$1.37 Billion
Fund Assets	\$240 Million
Type of Fund	Concentrated Value
RSP Eligible	Yes
Pricing Schedule	Monthly
Offer Document	Offering Memorandum
Lock up	No
Redemption Fee	On DSC class
Hurdle Rate	5%
Performance Fee	20% above the hurdle rate
Management Fee	B: 1.9% F: 1%
Fund Codes	VRT 101(F), VRT 102(B) VRT 103(DSC)
Inception Date	April 3, 1998
Trustee	CIBC Mellon
Custodian/Administration	CIBC Mellon
Auditor	PriceWaterhouseCoopers
NAVPU - Class A	\$24.3126
NAVPU - Class B	\$9.2845
NAVPU - Class F	\$25.1835

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.

First Quarter Commentary

Future Headline: Is Passive Investing Dead? Money continues to pour into the same, large stocks creating a self-fulfilling prophecy and an illusion of safe, smooth returns. There's no denying it works...until it doesn't. There's no price discovery in passive investing and thus larger and larger misallocations of capital occur. The silver lining here is a plethora of value has emerged as smaller, quality companies are completely ignored by "The Index". With this as a backdrop, our portfolio choices have trended towards smaller capitalization companies. The likely result is higher volatility, however, I'm confident it will lead to far greater returns and possibly even downside protection if "The Index" eventually runs out of steam. None of us know the future and it often surprises us in unexpected ways.

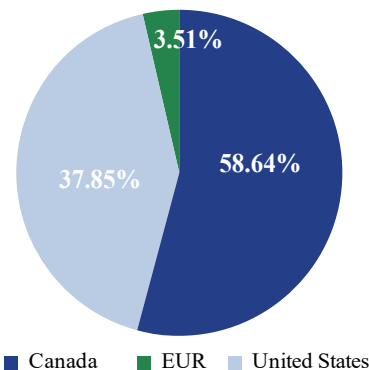
The wonderful thing is that all these great companies have been left for us to own and at insanely inexpensive valuations. We hear incessant talk about the market being overvalued. It may or may not be, but I can assure you that thousands of companies are trading at price-to-value metrics not seen since the credit crisis. Hence, we are damn excited about returns over the next 5 years.

15-Year, Historical Monthly Performance

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Jan	2.24%	-10.25%	1.59%	2.45%	6.42%	2.44%	2.74%	0.06%	-6.93%	-0.60%	1.14%	1.71%	1.10%	5.16%	-2.82%	1.21%
Feb	3.38%	0.25%	2.77%	3.41%	3.24%	2.37%	-1.74%	4.03%	-8.82%	-3.03%	-0.67%	-0.60%	1.83%	2.02%	-1.90%	2.42%
Mar	-4.98%	7.09%	-2.55%	-1.15%	5.53%	3.02%	3.09%	1.98%	3.60%	3.15%	-0.12%	1.84%	-1.85%	-1.04%	-2.59%	1.20%
Apr	-2.30%	0.45%	-0.26%	-1.49%	0.19%	-1.41%	-1.20%	2.80%	3.58%	-0.45%	1.49%	-1.19%	-2.82%	-0.43%	6.43%	2.27%
May	-5.85%	1.48%	4.28%	0.24%	0.17%	0.44%	-2.63%	-4.18%	-2.64%	-0.62%	-1.32%	-3.75%	4.61%	-1.21%	6.73%	0.89%
Jun	-2.71%	0.06%	-1.27%	0.70%	2.49%	1.67%	-3.44%	-5.46%	4.50%	-5.08%	-2.25%	0.11%	1.30%	1.50%	3.33%	-3.34%
Jul	8.65%	-5.89%	-4.72%	3.29%	-1.48%	-5.70%	1.54%	6.14%	5.52%	-8.90%	3.24%	3.03%	-1.12%	2.75%	-4.33%	
Aug	4.39%	-4.94%	4.76%	-1.36%	3.16%	-5.28%	-0.23%	8.78%	1.91%	-1.81%	2.82%	-1.37%	-1.72%	2.49%	0.97%	
Sep	1.99%	-5.31%	-3.09%	2.22%	2.27%	-2.29%	4.29%	2.00%	0.34%	-0.13%	3.47%	0.13%	0.01%	-1.37%	-4.35%	
Oct	1.85%	4.62%	2.36%	3.33%	4.31%	3.88%	2.01%	-1.36%	-2.87%	-2.98%	3.76%	-3.81%	1.98%	1.86%	0.21%	
Nov	10.40%	2.45%	0.08%	3.87%	2.33%	2.13%	-0.33%	3.62%	-1.81%	3.15%	2.29%	3.77%	2.01%	1.13%	8.16%	
Dec	4.45%	-0.46%	3.83%	3.18%	3.66%	1.24%	3.88%	1.80%	6.01%	-2.36%	3.25%	-0.47%	3.70%	3.31%	-1.78%	
Year	-10.13%	33.52%	-5.57%	7.14%	37.51%	25.09%	-9.36%	10.30%	13.52%	1.84%	-14.24%	18.00%	5.19%	11.15%	20.49%	2.91%

This statistical information is intended to provide you with information about the Vertex Managed Value Portfolio. Advertised performance is based on Class A shares. Important information about the Fund is contained in the Offering Memorandum which should be read carefully before investing. You can obtain an offering memorandum from Vertex One Asset Management Inc. The Offering Memorandum 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.

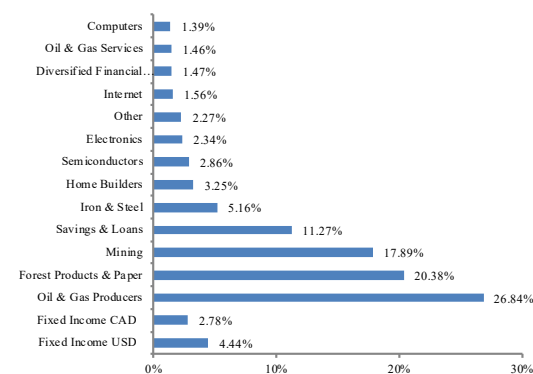
Geographic Allocation



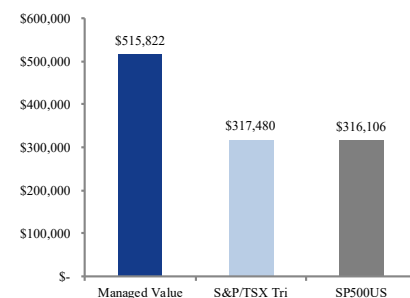
	Fund	TSX TRI
Beta	0.38	1.00
Correlation	0.48	1.00
Sharpe	0.69	0.45
Standard Deviation	11.94%	14.77%
Largest monthly gain	10.40%	12.05%
Largest monthly loss	-11.70%	-20.11%
% positive months	62.34%	62.23%

rf = LIBOR, 1M, USD

Sector Allocations



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 six 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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