

# VERTEX GROWTH FUND

**VERTEX ONE**  
Asset Management Inc.

**- Unconstrained Investing -**

Standard Deviation	Total Cumulative Return	1-Year Return	Since Inception
13.58%	105.33%	0.87%	9.09%

## Investment Objectives

Primary objective is to achieve long-term capital growth by investing in growth-oriented equities. The Vertex Growth Fund invests primarily in equity and equity-related securities of North American companies. Investment may focus on assets in specific industry sectors and asset classes based on analysis of business cycles, industry sectors and market outlook.

## Investment Strategy

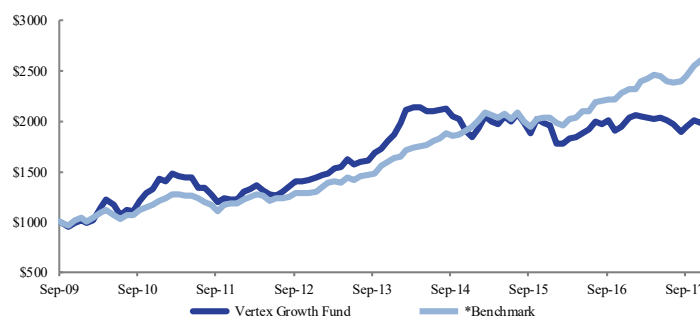
To achieve the above objectives, fundamental analysis will be used to identify superior investment opportunities with the potential for above average capital appreciation over the long term. Vertex One will seek inefficiently priced companies backed by strong management teams with solid business models that have the potential to benefit from both industry and macro-economic trends.

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

### Cumulative Return Comparison

	Fund	Benchmark
1 month	3.43%	1.73%
3 month	5.68%	7.90%
YTD	0.87%	13.70%
1 year	0.87%	13.70%
3 year	3.74%	10.88%
5 year	7.29%	15.13%
Since Inception	9.09%	12.37%
Cumulative Return	105.33%	164.30%

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



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.10%	-0.76%	-0.46%	-0.25%	0.33%	-1.04%	-1.83%	-4.26%	2.67%	3.43%	-1.22%	3.43%	0.87%
2016	-9.30%	-0.06%	3.27%	0.28%	2.27%	2.02%	3.75%	-0.83%	1.76%	-4.92%	2.01%	4.48%	3.91%
2015	5.32%	6.06%	-2.56%	-1.70%	4.06%	-2.43%	3.72%	-3.98%	-5.71%	7.89%	-1.95%	-1.26%	6.54%
2014	6.10%	6.77%	1.27%	-0.17%	-1.80%	0.21%	0.56%	0.65%	-3.39%	-1.31%	-5.81%	-3.71%	-1.37%
2013	1.66%	0.68%	4.13%	0.19%	5.32%	-2.92%	1.68%	0.62%	4.23%	2.57%	4.88%	3.09%	29.12%
2012	6.59%	1.98%	3.03%	-3.90%	-3.58%	-0.79%	2.97%	3.97%	4.14%	0.43%	0.52%	1.92%	18.11%
2011	-1.75%	5.18%	-1.67%	-0.94%	0.30%	-6.77%	-0.63%	-4.30%	-6.27%	2.98%	-0.61%	-0.42%	-14.49%
2010	-2.22%	2.21%	13.95%	6.10%	-4.28%	-8.69%	5.02%	-0.96%	8.78%	6.04%	3.86%	7.40%	41.34%

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

Firm Assets	\$1.34 Billion
Fund Assets	\$81 Million
Type of Fund	North American Growth
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 the Benchmark
Management Fee	B: 2% F: 1%
Fund Codes	VRT 400(B), VRT 401(F) VRT 402 (Low Load)
Administration/Trustee	CIBC Mellon
Inception Date	September 21, 2009
Auditor	PriceWaterhouseCoopers
NAVPU - Class F	\$17.2537
NAVPU - Class B	\$16.1540
Minimum Investment	\$5,000 (initial) \$50.00 (subsequent)

**Portfolio Manager**  
John Thiessen

Mr. John Thiessen is a founding partner and director of Vertex One Asset Management. He has operated as the lead manager of the Vertex Fund since its inception on February 6, 1998. Mr. Thiessen has significant investment experience with 25 years of equity, fixed income and arbitrage investing. He began his career with the Alberta Treasury Investment Management Division, after which he became an Investment Officer with National Trust. He was a Portfolio Manager with HSBC Asset Management before co-founding Vertex One Asset Management. Mr. Thiessen holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and CFA Society of Vancouver.

**Portfolio Manager**  
Tim Logie

Mr. Logie began his career in the Property and Casualty actuarial field before completing an MBA and moving into derivative trading at TD Securities in Toronto. Mr. Logie holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute and CFA Society of Vancouver.

**Second Quarter Commentary**

We have converted our largest position, Franco Nevada warrants, to common shares. Franco now holds a more modest weight of 4% within the portfolio. On a delta basis, the Vertex Growth Fund's new largest position is AIG warrants, though the actual weight in the portfolio is slightly less than 7%.

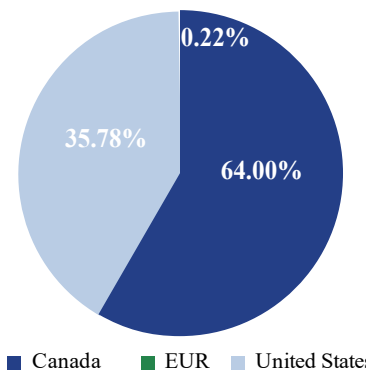
Since its bankruptcy during the financial crisis, AIG International Group has had its share of CEOs. Apart from one CEO who unfortunately died prematurely, none have truly understood the company in which they steered, until now. Brian Duperreault became the new president and CEO of AIG in May of 2017. In only the first few weeks of his position he followed through with buying five million dollars worth of shares in AIG (in addition to the options he received in his remuneration package). Like Jamie Dimon's prescient purchase of J.P. Morgan's shares near the bottom, we like CEOs who eat their own cooking.

The stock currently trades at around \$65, which is \$35 below its \$100 book value. We believe the company will earn \$10 per share by 2019, so a 12x multiple on those earnings will lead to an AIG stock price such that the AIG warrants we own will triple in value over the next two years.

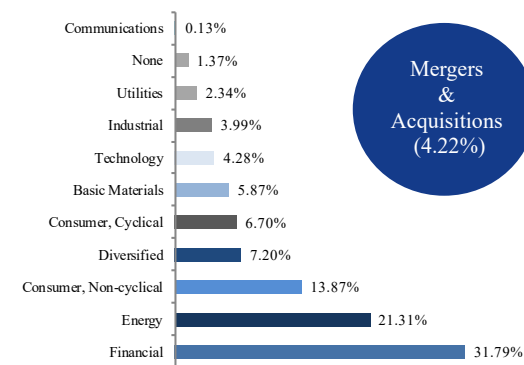
**Example Holdings**

Company Name	Country	Sector/Strategy	Weight
Petroshale	Canada	Energy	9.96%
Air Canada	Canada	Transportation	4.96%
Guardian Capital	Canada	Financial	10.80%
JP Morgan	US	Financial	6.73%
Brookfield	US	Financial	5.35%

**Geographic Allocation**



**Sector Allocations**

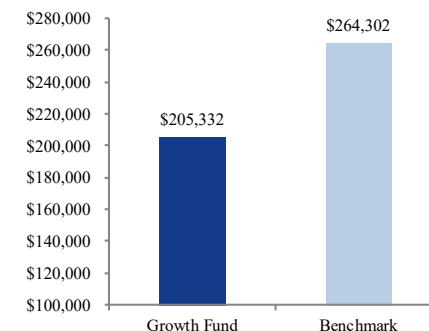


**Statistical Analysis**

	Fund	Benchmark
Beta	0.94	1.00
Sharpe	0.59	1.27
Standard Deviation	13.58%	8.27%
Largest monthly gain	13.95%	5.67%
Largest monthly loss	-9.30%	-4.99%
% positive months	57.00%	69.00%

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 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.

**Vertex One Head Office**

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