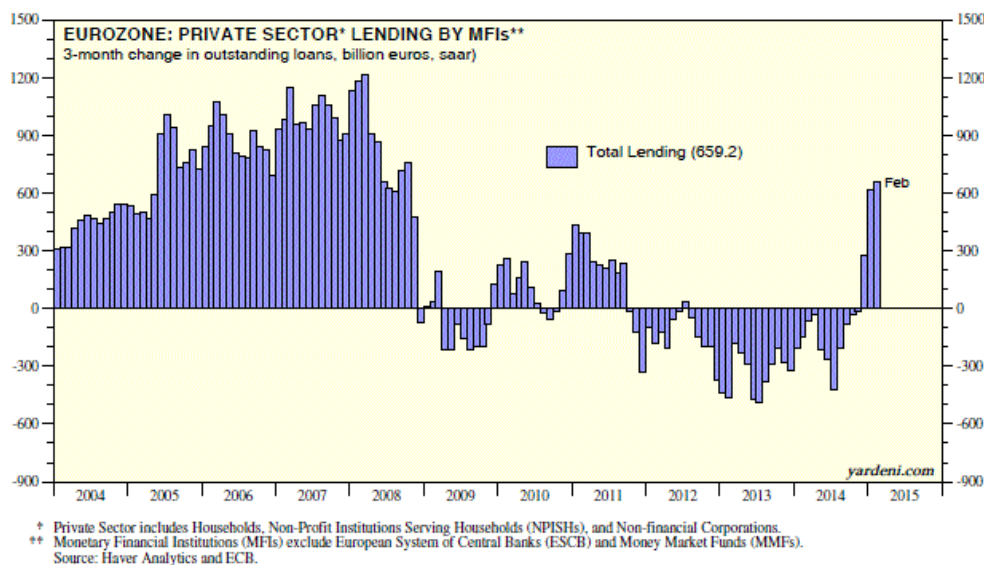


## VERTEX GROWTH FUND

First Quarter Report, 2015

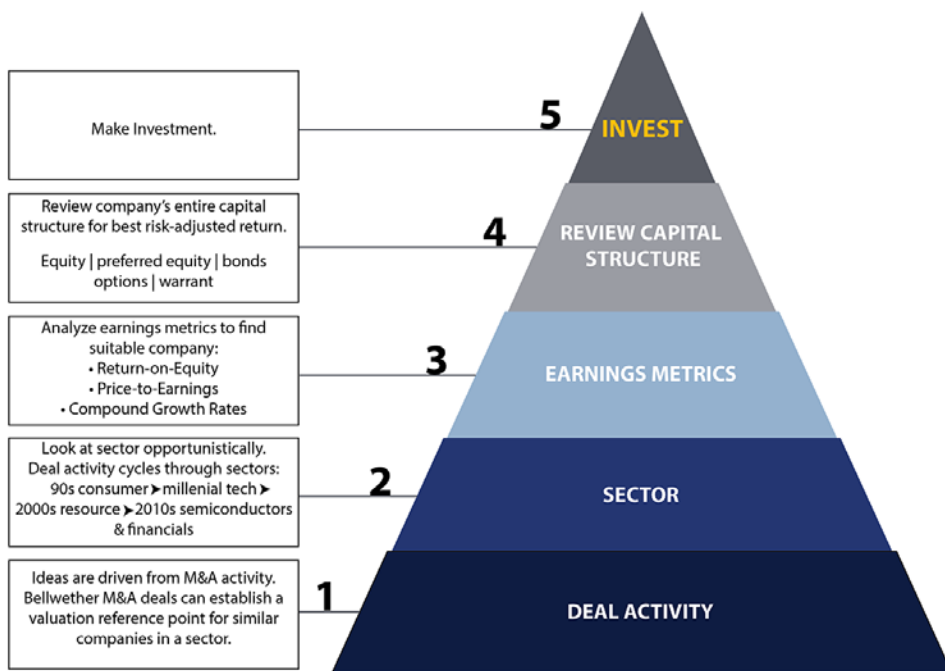
### The Big Thaw

The figurative layer of permafrost that has shrouded the European economy since 2008 is finally starting to thaw. In January, the European Central Bank (ECB), turned the heat up on the financial system by introducing an open-ended private and public bond-buying program. Following in the footsteps of the U.S. Federal Reserve, Bank of England and Bank of Japan, the ECB has turned to quantitative easing (QE). In addition to QE, the ECB lowered its deposit rate for banks to negative levels last year. The result, negative interest rates and QE has led banks to lend again, as seen in the below chart.



What's starkly evident is how tight the European banking system has been in the wake of the 2008 financial crisis. Yet, now, with increased lending, rising stock prices, a depressed euro, cheaper oil, and the aforementioned stimulus efforts, the probability for a European recovery is the best it's been since the crisis. We learned from the American adventure, through a stimulus-based recovery, that the financial sector was one of the biggest benefactors. Accordingly, we've been investing in European banks. In addition to our previous holdings in RBS and Barclays, we added Deutsche Bank and Commerzbank. The portfolio weight in banks is now 18%. Our other European companies, Fiat and Finmeccanica, were top contributors to the first quarter's return. Nearly one-third of the portfolio is invested in European companies.

Franco-Nevada warrants have also been a large contributor over the first quarter. Their common stock is trading near all-time highs in a gold sector where stocks trade at all-time lows. This is attributed to their royalty business model. For the first time in a long time, Franco Nevada is now engaging in oil and gas royalty deals on the cheap. That's the kind of opportunistic management we look for. Likewise, we bought Intrexon Corp. – a biotech royalty company.



Actavis Inc. has been a big win for your fund and is a good example of a position that stems from our process for catalyst, growth investing. As illustrated to the left, many of our ideas are generated from deal activity. Mergers and acquisitions point us in the direction of a potential investment. M&A activity can revalue entire sectors, as consolidation brings about large

deals able to set a new standard for comparison. The cyclical nature of M&A can provide plenty of investment opportunities in a particular sector. In the case of Actavis, we acquired its stock through our investment in Allergan (taken-over by Actavis). A recent strategy of ours has been to continue holding stocks, which we think show upside, after a merger has closed. We also hold Restaurant Brands, the company created following the completion of the Tim Horton's buyout. More recently, we purchased Freescale Semiconductor under a similar premise. In a \$40 billion cash and stock merger, Freescale is being acquired by NXP Semiconductors. It is likely we will continue to hold the new company after the merger's completion. These situations can be a win/win, as the initial investment during the merger provides an uncorrelated return to the market, and the resultant company can offer growth potential.

The increase in value of the US dollar has also had a positive impact on the portfolio in the first quarter, as our holdings in US dollar securities are unhedged.

**PERFORMANCE** (Class F shares as at March 31, 2015)

| <b>Net Asset Value</b> | <b>1 Month</b> | <b>3 Month</b> | <b>Year to Date</b> | <b>1 Year</b> | <b>3 Year<sup>+</sup></b> | <b>5 Year<sup>+</sup></b> | <b>Since Inception<sup>+</sup></b> |
|------------------------|----------------|----------------|---------------------|---------------|---------------------------|---------------------------|------------------------------------|
| \$17.4147              | -2.56%         | 8.84%          | 8.84%               | -6.42%        | 13.49%                    | 11.68%                    | 13.39%                             |

<sup>+</sup>annualized return  
Returns are net of all fees and include reinvested distributions.

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 a 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 funds are not guaranteed; their values change frequently and past performance may not be repeated.