

VERTEX VALUE FUND

VERTEX ONE
Asset Management Inc.

- Simple Works -

| Standard Deviation | Since Inception Return | 3-Year Return | 5-Year Return |
|--------------------|------------------------|---------------|---------------|
| 14.44% | 15.12% | 12.53% | 18.47% |

Investment Objectives

The fundamental investment objective of the Vertex Value Fund is to provide long term capital growth by investing primarily in the equity securities of Canadian and United States companies.

Investment Strategy

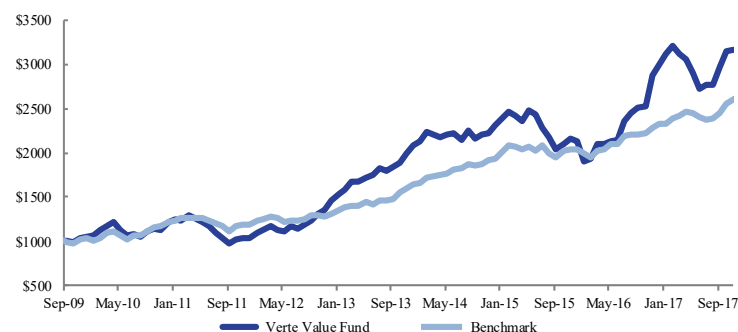
Our investment process involves seeking out primarily equity securities of companies that we determine to be priced at attractive levels relative to the market, their competitors and their growth rates. Companies with annuity like cash flows, strong balance sheets and high dividend yields will be given the greatest weighting.

Performance (Net of all fees and includes reinvested distributions)

Cumulative Return Comparison

| | Fund | Benchmark |
|-------------------|---------|-----------|
| 1 month | 0.63% | 1.73% |
| 3 month | 14.67% | 8.51% |
| YTD | 5.54% | 11.76% |
| 1 year | 10.50% | 13.64% |
| 3 year | 12.53% | 10.76% |
| 5 year | 18.47% | 15.08% |
| Since Inception | 15.12% | 12.27% |
| Cumulative Return | 216.92% | 159.80% |

Growth of \$1,000 Since Inception



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 2017 | 3.96% | 2.79% | -2.93% | -2.07% | -5.03% | -5.87% | 1.66% | -0.30% | 7.34% | 6.17% | 0.63% | | 5.54% |
| 2016 | -10.73% | 1.60% | 8.74% | -0.03% | 1.52% | 0.28% | 9.83% | 4.23% | 2.47% | 0.46% | 13.61% | 4.70% | 40.69% |
| 2015 | 3.27% | 2.85% | -1.61% | -2.29% | 5.05% | -2.00% | -6.35% | -4.68% | -5.87% | 2.86% | 2.86% | -1.31% | -7.78% |
| 2014 | 2.62% | 4.93% | -1.24% | -1.56% | 1.29% | 1.00% | -3.40% | 4.54% | -3.99% | 2.00% | 0.93% | 4.08% | 11.25% |
| 2013 | 5.27% | 3.10% | 5.70% | 0.11% | 2.41% | 1.83% | 4.43% | -1.13% | 2.19% | 2.79% | 5.17% | 4.48% | 42.73% |
| 2012 | 4.61% | 3.49% | 3.54% | -3.56% | -0.84% | 4.34% | -2.47% | 4.92% | 3.75% | 6.24% | 3.15% | 7.33% | 39.69% |
| 2011 | 3.43% | -1.80% | 4.79% | -2.12% | -3.34% | -3.78% | -6.44% | -6.36% | -4.83% | 4.80% | 0.83% | 0.80% | -13.97% |
| 2010 | 2.57% | 4.75% | 3.78% | 4.27% | -7.06% | -6.03% | 1.55% | -1.93% | 4.73% | 2.57% | -1.42% | 8.22% | 15.87% |
| 2009 | | | | | | | | | 0.81% | -1.98% | 4.96% | 0.92% | 4.67% |

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

| | |
|--------------------------|--|
| Firm Assets | \$1.33 Billion |
| Fund Assets | \$227 Million |
| Type of Fund | North American Value |
| 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 daily Benchmark |
| Management Fee | B: 2% F: 1% |
| Fund Codes | VRT 600(B), VRT 601(F) VRT 602 (Low Load) |
| Custodian/Administration | CIBC Mellon |
| Trustee | CIBC Mellon |
| Inception Date | September 21, 2009 |
| Auditor | PriceWaterhouseCoopers |
| NAVPU - Class F | \$29.0857 |
| NAVPU - Class B | \$27.8785 |
| Minimum Investment | \$5,000 (initial) \$50.00 (subsequent) |

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.

Second Quarter Commentary

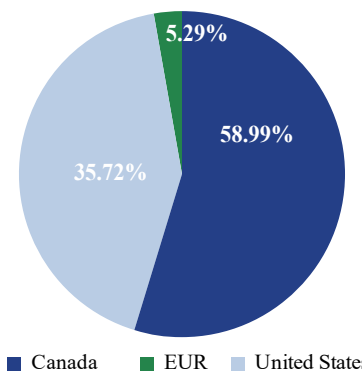
We're hearing a lot about volatility these days. The word seems to have permeated our investment lexicon. It's as if there's something in the investment world that's void of volatility. "Low vol" is what so many are selling and eager ears are eating it up. I'm not sure what to make of it, but the idea that one can get a decent return today, and low volatility simultaneously, is a hard one to swallow. Presently, there is a grand illusion unfolding as recent performance has investors believing the "market", as represented by the major indexes, has lower volatility than contrasting portfolios such as ours. The facts dispute this belief, as "the market" has seen declines of 40% plus twice since founding Vertex One. Your Value Funds have never experienced this kind of downside volatility. Our portfolio differs vastly from the market; thus, our volatility will appear at different intervals. We may be down when the market is flat, or up, or the opposite may also occur. Interestingly, the more investors place their investment in the market the smoother returns appear. Frankly, index investing scares the pants off us.

Your portfolios have not changed much since our first quarter update. We did, however, further reduce our US regional banks in favour of adding to energy companies. Negative sentiment attracts us like mice to cheese, and the sentiment on energy is at a low unseen for decades.

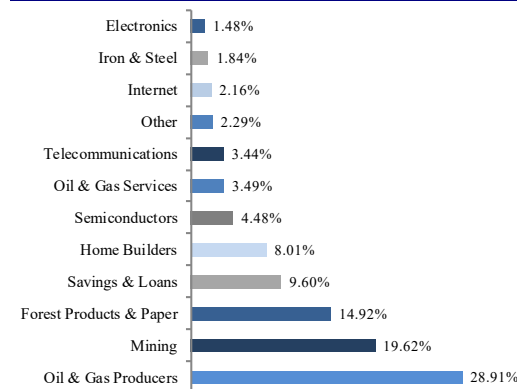
Example Holdings

| Company Name | Region | Industry | Weight |
|-------------------------------|---------------|-----------|--------|
| International Forest Products | Canada | Forestry | 5.80% |
| Taseko Mines | Canada | Mining | 6.36% |
| Bank Of Internet | Unites States | Financial | 9.86% |
| Blackbird Energy | Canada | Energy | 5.65% |
| Surge Energy | Canada | Energy | 5.60% |

Geographic Allocation



Sector Allocations

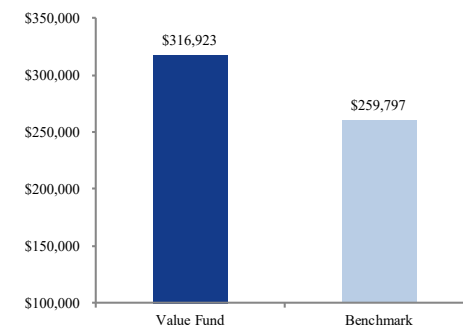


Statistics

| | Fund | Benchmark |
|----------------------|---------|-----------|
| Beta | 1.14 | 1.00 |
| Sharpe | 0.95 | 1.27 |
| Standard Deviation | 14.44% | 8.31% |
| Largest monthly gain | 13.61% | 5.67% |
| Largest monthly loss | -10.73% | -4.99% |
| % positive months | 65.66% | 68.69% |

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.

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