

Access to predominantly secured, short-term loans in an all - weather structure

FUND PERFORMANCE

	1 Month	YTD*	1 Year	3 Year Annualized	5 Year Annualized	Annualized Since Inception	Inception Date	NAV	Monthly Distribution
Class A^{1,2}	0.60%	1.21%	3.88%	5.27%	5.91%	6.59%	June 2015	\$7.86	\$0.0471
Class F^{1,2}	0.69%	1.39%	5.02%	6.42%	7.07%	7.86%	June 2015	\$8.51	\$0.0588
Class G^{1,2}	0.62%	1.26%	4.19%	5.58%	6.22%	6.95%	June 2015	\$8.01	\$0.0500
Class H^{1,2}	0.74%	1.49%	5.61%	7.02%	7.67%	8.40%	June 2015	\$8.69	\$0.0639
Class J^{1,2}	0.71%	1.42%	5.19%	6.60%	7.25%	8.02%	October 2015	\$8.32	\$0.0587
Class A^{1,2}	0.60%	1.20%	3.85%	5.24%	5.89%	6.35%	March 2017	\$8.09	\$0.0484
Class F^{1,2}	0.69%	1.39%	5.02%	6.48%	6.89%	7.34%	March 2017	\$8.26	\$0.0571

FUND COMMENTARY

The Next Edge Private Debt Fund (the “Fund”) gained 0.69% (Class F1 Units) in February, bringing annualized returns since inception (June 2015) to 7.86%.

During the month, two new factoring facilities were initiated. One was to a company in the industrial/construction sector located in Alberta. The other was to a Texas-based company in the construction industry. We continue to look at many opportunities throughout North America and selectively fund transactions each month that fit within our financing verticals and meet our underwriting criteria.

NOTES FROM UNDERWRITING

Part of good decision-making is having a strong and diverse investment committee. While it is important to be aligned in terms of the company’s credit criteria, risk appetite, and overall desired credit box, having an investment committee where members bring together their experiences from their past lending lives builds a robust library of knowledge and experience.

Sometimes, there are differences of opinion on a particular transaction, which are regarded as opportunities to learn from each other and grow.

Our investment committees are structured as a majority vote for approval; however, it has yet to occur when a

particular member is opposed to a transaction or an aspect of the structure, and a conversation happens. It’s essential to our organization to make sure everyone feels good about what we do and that all risks have been mitigated. We work together to make sound decisions, considering all opinions for the best possible outcome.

Frequent meetings together are always key, which is why we meet weekly, at a minimum, so we can discuss what’s being worked on, level set together and move towards alignment on what we want to accomplish together.

It’s this kind of collaboration that, we believe, sets a strong foundation for our success.

NOTES FROM ACCOUNT MANAGEMENT

Why Factoring Matters

In an environment where time is a precious resource, we must be particularly vigilant about where we spend our time and efforts to grow the Fund’s portfolio.

On the surface, we may look at the time spent developing factoring leads, underwriting factoring opportunities, and onboarding and managing factoring fundings as less valuable than funding a large equipment deal or asset-

based lending transaction. Each factoring deal may have an average funding size of \$500K - \$1MM, whereas an equipment or asset-based lending deal may be significantly higher \$3MM+.

So then, by simple math, why spend the time?

The straightforward answer is factoring matters. In supporting small businesses through our factoring program, we are providing the fuel to keep the engine of the economy moving.

Historically, small and medium-sized businesses have played an important role in both the Canadian and US economies, significantly contributing to the GDP share and creating new jobs. These businesses are underserved by local banks and other credit providers. Factoring is a lifeline for these businesses, allowing them to pay their employees, fuel their trucks, and pay for raw materials.

So, to a certain extent, it is a numbers game; there are many prospective factoring clients, and the demand for the product is significant.

By utilizing a systematic approach to sourcing factoring prospects, implementing a simplified and standardized approach to underwriting, completing the legal documents

in-house, and appropriately utilizing emerging technology coupled with excellent portfolio management software and knowledgeable team members, the factoring business opportunity becomes very scalable.

It feels good to provide much-needed financing to an entrepreneurial company selling an in-demand product while growing the Fund's portfolio with secured risk-adjusted transactions.

Our ideal factoring client is a growing company selling an excellent product or service to a large creditworthy customer. These are not clients who, absent our funding, would be out of business; these are thriving businesses. Further, these clients may graduate and move into an asset-based lending facility or need equipment financing, which, of course, we also provide.

In supporting these businesses, we are doing our part to support the larger economy, the supply chain, local communities, and the growth of our own business.

Please feel free to contact us for any further comments or insights into the Fund or the industry in general. We thank you for your continued support.

PORTFOLIO BREAKDOWN AS OF DECEMBER 29, 2023

Portfolio breakdown by category^[a]

Sub-type:	Alloc %	# of Loans
ABL	38.47%	30
Lender Finance	32.22%	14
Specialty Finance	19.44%	8
Factoring	8.31%	94
Lender Finance - Liquid Capital Factoring	1.56%	14
Total	100.00%	160

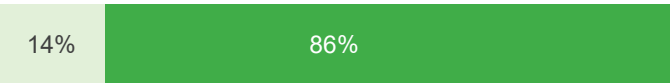
Loan Portfolio –
Breakdown by Country^[b]



of CA Provinces: 7

of US States: 23

Loan Portfolio –
Security Position \$ Weighted Composition^[c]



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Loan Portfolio – Term to Maturity^[d] in Days

Sub-type:	Avg. days to maturity
ABL	191
Lender Finance	276
Specialty Finance	89
Factoring	103
Lender Finance - Liquid Capital Factoring	90
\$ Weighted Term in Days (full Loan Portfolio)	291

HISTORICAL PERFORMANCE¹ Class A1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ²
2024	0.60%	0.60%	-	-	-	-	-	-	-	-	-	-	1.21%*
2023	0.55%	0.51%	0.58%	0.55%	0.52%	-0.15%	0.52%	0.58%	0.58%	0.59%	0.57%	-1.71%	3.74%
2022	0.62%	0.53%	0.40%	0.66%	0.63%	0.57%	0.52%	0.63%	0.49%	0.64%	0.58%	0.28%	6.74%
2021	0.69%	0.64%	0.51%	0.51%	0.43%	0.32%	0.28%	-0.10%	0.47%	0.56%	0.48%	0.55%	5.47%
2020	0.51%	0.65%	0.22%	0.35%	0.28%	0.26%	0.60%	0.58%	0.56%	0.56%	0.58%	0.62%	5.90%
2019	0.69%	0.59%	0.77%	0.66%	0.63%	0.59%	0.58%	0.62%	0.57%	0.68%	0.64%	0.54%	7.82%
2018	0.68%	0.55%	0.66%	0.62%	0.64%	0.79%	0.67%	0.63%	0.63%	0.59%	0.64%	0.65%	8.06%
2017	0.66%	0.60%	0.57%	0.63%	0.61%	0.53%	0.57%	0.57%	0.60%	0.69%	0.54%	0.53%	7.33%
2016	0.55%	0.59%	0.70%	0.31%	0.35%	0.56%	0.53%	0.69%	0.63%	0.67%	0.80%	0.60%	7.21%
2015	-	-	-	-	-	0.61%	0.75%	0.37%	0.38%	0.65%	0.69%	0.60%	4.13%*

HISTORICAL PERFORMANCE¹ Class F1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ²
2024	0.69%	0.69%	-	-	-	-	-	-	-	-	-	-	1.39%*
2023	0.65%	0.60%	0.68%	0.64%	0.61%	-0.06%	0.61%	0.67%	0.67%	0.68%	0.67%	-1.62%	4.88%
2022	0.71%	0.62%	0.49%	0.75%	0.72%	0.66%	0.61%	0.72%	0.58%	0.73%	0.67%	0.37%	7.91%
2021	0.78%	0.73%	0.60%	0.60%	0.52%	0.41%	0.37%	-0.01%	0.56%	0.65%	0.57%	0.64%	6.63%
2020	0.61%	0.74%	0.32%	0.44%	0.37%	0.35%	0.69%	0.67%	0.65%	0.65%	0.67%	0.71%	7.06%
2019	0.79%	0.68%	0.86%	0.76%	0.72%	0.69%	0.67%	0.71%	0.66%	0.78%	0.73%	0.63%	9.02%
2018	0.80%	0.66%	0.78%	0.74%	0.76%	0.91%	0.77%	0.73%	0.72%	0.69%	0.73%	0.75%	9.41%
2017	0.77%	0.71%	0.68%	0.75%	0.74%	0.65%	0.68%	0.69%	0.72%	0.81%	0.66%	0.65%	8.83%
2016	0.66%	0.70%	0.81%	0.44%	0.44%	0.68%	0.64%	0.79%	0.74%	0.78%	0.91%	0.71%	8.62%
2015	-	-	-	-	-	0.61%	0.98%	0.49%	0.50%	0.77%	0.81%	0.72%	4.97%*

[a] Categorizations of loans and investments are internal, potentially subjective, and subject to change.

[b] Based on geographic location of the head office of borrower/counterparty.

[c] Dollar-weighted by carrying value. Factoring facilities typically involve the direct purchase and custody of factored receivables and are considered 1st position for this calculation.

[d] Based on the legal maturity date of the loan. Loans are subject to be renewed/extended. Factoring facilities are typically by way of ongoing purchase and sale agreements for the factoring of receivables and may not have an explicit maturity date, but an estimated average period of 90 days has been used for the full collection of factored receivables and maturity time of factoring facilities.

IMPORTANT NOTES

1. The Next Edge Private Debt Fund (the 'Fund') returns are net of all fees and expenses associated with Class A1 Units, Class F1 Units, Class G Units, and Class H Units charged from June 1, 2015 (trading start date). The Next Edge Private Debt Fund (the 'Fund') returns are net of all fees and expenses associated with Class J Units charged from October 1, 2015 (trading start date). The Next Edge Private Debt Fund (the 'Fund') returns are net of all fees and expenses associated with Class A Units, and Class F Units charged from April 1, 2017 (trading start date). The Next Edge Private Debt Fund (the 'Fund') returns are net of all fees and expenses associated with Class L Units charged from March 1, 2019 (trading start date). Returns for 2023 are unaudited. Therefore, performance statistics containing 2023 figures shown in this material are subject to final confirmation. The historical annualized rates of return for the Next Edge Private Debt Fund Class A1 Units as of February 29, 2024 are 1 yr 3.88%, 3 yr 5.27%, 5 yr 5.91%, 10 yr N/A, and CARR 6.59%; for Class F1 Units are 1 yr 5.02%, 3 yr 6.42%, 5 yr 7.07%, 10 yr N/A, and CARR 7.86%; for Class G Units are 1 yr 4.19%, 3 yr 5.58%, 5 yr 6.22%, 10 yr N/A, and CARR 6.95%; for Class H Units are 1 yr 5.61%, 3 yr 7.02%, 5 yr 7.67%, 10 yr N/A, and CARR 8.40%; for Class J Units are 1 yr 5.19%, 3 yr 6.60%, 5 yr 7.25%, 10 yr N/A, and CARR 8.02%; for Class A Units are 1 yr 3.85%, 3 yr 5.24%, 5 yr 5.89%, 10 yr N/A, and CARR 6.35%; for Class F Units are 1 yr 5.02%, 3 yr 6.48%, 5 yr 6.89%, 10 yr N/A, and CARR 7.34%.

2. Distribution - adjusted return

*Part Year

Capitalized terms not defined in this document are defined as set forth in the Offering Memorandum of the Fund (the 'OM'). There is no guarantee of trading performance and past or projected performance is not indicative of future results.

Next Edge Capital Corp. is the manager and trustee of the Fund (the 'Manager'). The investment objective of the Fund is to achieve consistent risk-adjusted returns with minimal volatility and low correlation to most traditional asset classes. The Fund intends to achieve its investment objective by investing all, or substantially all, of its net assets in the Next Edge Private Debt LP (the 'Partnership') through the Next Edge Commercial Trust (the 'Sub Trust'). To achieve its investment objective the Partnership will primarily allocate capital to a number of specialist loan originators and managers of credit pools ('Credit Advisors'), to take advantage of opportunities in the private debt markets. Strategies that may be used include trade finance, consumer finance, invoice factoring, supply chain financing, syndicated loans, regulatory capital, mezzanine debt, structured credit and asset-based lending. The Partnership will invest in both senior and subordinated debt subject to the advice and recommendations of their Credit Advisors with the intent of building a portfolio, either directly or indirectly, of private income generating securities. Note to Investment Professionals: The information in the Monthly Report is being provided to current investors in the Fund and is being provided to their registered dealers for informational purposes only.

This is not a sales literature and cannot be used as such. The Fund is not a trust company and does not carry on business as a trust company and, accordingly, the Fund is not registered under the trust company legislation of any jurisdiction. Units of the Fund are not 'deposits' within the meaning of the Canada Deposit Insurance Corporation Act (Canada) are not insured under provisions of that Act or any other legislation.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from the registration requirements of those laws. The information provided herein is for information purposes only and does not constitute a solicitation, public offering, advice or recommendations to buy or sell interests in the Fund, the Portfolio, Units or any other Next Edge Product. Please refer to the Fund's Offering Memorandum for more information on the Fund as any information in this Report is qualified in its entirety by the disclosure therein.

Opinions expressed are those of the author as of the date of their publication, are subject to change and may not reflect the opinion of all members of the Company. Some statements contained in this material concerning goals, strategies, outlook or other non-historical matters may be "forward-looking statements" and are based on current indicators and expectations at the date of their publication. We undertake no obligation to update or revise them. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those implied in the statements.

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1 Toronto St, Suite 200, Toronto, ON M5C 2V6

 **CLIENT SERVICES:** 1.844.656.2321

416.775.3600 **Toll Free:** 1.877.860.1080

 info@nextedgcapital.com

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