

Next Edge AHL Fund



NEXTEGE
CAPITAL

Monthly report as of September 29th 2014

Monthly Commentary

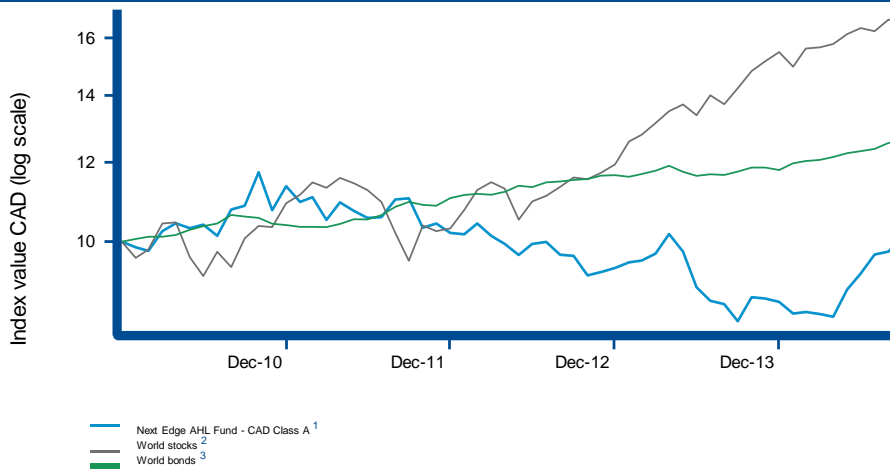
As global markets reposition themselves to reflect diverging rates of economic growth between countries and varied strategies of central banks, September was infused with volatility that highlighted new directions in market trends. Equities, particularly outside Europe, sold off and the US dollar strengthened significantly. This volatility, seen in the context of historical levels of market movements was not particularly unusual, but against the backdrop of the last 6 months of much lower sustained volatility it seems to have marked something of a shift in behaviour. Trading in traditional equity and bond markets was difficult, but the fund's commodity and currency focus proved dominant in this changing environment and the fund returned 3.6% for the month. The US continues to show a stronger recovery than the rest of the developed world, while the European story tells of stagnation and the potential need for further stimulus and support. Mario Draghi stepped in to provide that support with a surprise further cut in European Central Bank (ECB) rates early in the month, including an increased negative deposit to encourage regional bank lending. This support certainly helped European bonds and stocks outperform during a weak month,

but the best stimulus for the Eurozone is now coming from a depreciation of the euro which took hold in earnest this month. After trading in a tight range for the first seven months of the year the currency started to weaken in August and accelerated on Draghi's announcement this month, ending September at a two year low. This weakness is good news for European export growth, and seems to be hitting little resistance from the US and so has become something of a new market theme with many commentators quick to talk the euro down to 1.20 or lower. At the same time the dollar has strengthened against many other currencies such as the Japanese Yen and Brazilian Real, where it gained 5% and 10% respectively over the month. The fund's position sizing was boosted by the previous low volatility in FX markets and performance has proved strongly positive in these markets. Fixed Income trading was mixed as US, Canadian and Australian markets became very choppy through the month, while South Korean and Italian bond futures rallied on rate cuts and ECB support respectively. But commodities were a much stronger story, with positive performance coming from energies and agricultural. These markets have become much

more idiosyncratic than at any time since the financial crisis, with prices driven more by demand and supply than global risk appetite. Cocoa and cattle have been especially supported by demand and scarcity, whilst crude oil, gold and corn weakened on a mix of fundamentals and dollar strength. The result was the strongest commodity returns seen by the fund this year. The last day of July had provided the biggest end of month fall in the S&P500 since 2011, as stronger US growth figures weighed on investor expectations about future interest rate movements. August, however, saw a recovery in most equity markets around the world, in spite of worsening geopolitical problems, as well as exceptional demand for fixed income markets globally. The fund had a positive month with the moves in bonds and commodities contributing positively. Early in the month European stock markets continued a sell-off that had started in July. The Dax Index fell from a new high of more than 10000 in early July to below 9000 by the second week in August. The tensions between Ukraine and Russia had a more direct impact on European markets than the rest of the world and the fund had cut long.

Performance chart

29 December 2009 to September 29th, 2014



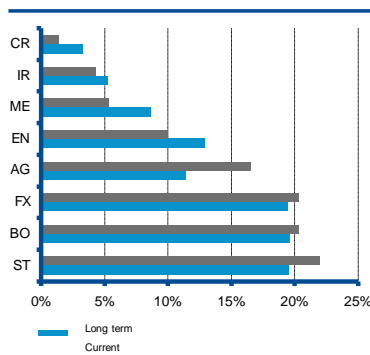
Performance statistics

29 December 2009 to September 29th, 2014

	Product ¹	World stocks ²	World bonds ³
Total return	1.3 %	65.2 %	25.4 %
Last month	3.6 %	-1.0 %	-0.1 %
Last quarter	9.0 %	1.0 %	1.8 %
Year to date	16.4 %	6.7 %	6.3 %
Last 12 months	21.6 %	16.0 %	6.7 %
Annualised return	0.3 %	11.1 %	4.9 %
Annualised volatility	12.2 %	12.3 %	2.6 %
Sharpe ratio ⁴	N/A	0.81	1.43
Correlation ⁵		0.11	0.32
Worst drawdown	-29.0 %	-17.4 %	-2.8 %

Sector allocations ⁶

September 2014



ST: Stocks, BO: Bonds, FX: Currencies, AG: Agriculturals, EN: Energies, ME: Metals, IR: Interest rates, CR: Credit.

Key market attribution ⁷

September 2014

Highest performing markets	Direction	Attribution
Euro/US Dollar	Short	0.79 %
Japanese Yen/US Dollar	Short	0.78 %
Sugar	Short	0.62 %

Lowest performing markets	Direction	Attribution
Australian Bonds	Long	-0.30 %
US Treasuries	Long	-0.34 %
Aluminium	Long	-0.45 %

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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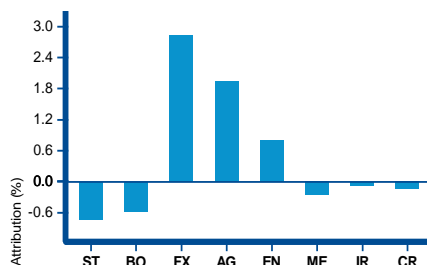


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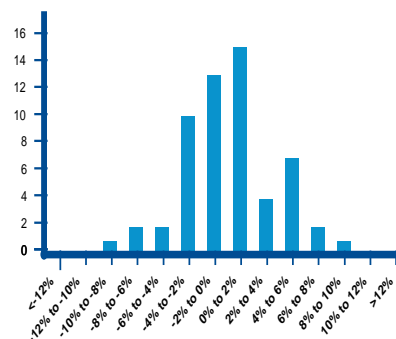
Performance attribution ⁸

September 2014



Distribution of monthly returns

29 December 2009 to September 29th, 2014



Historical performance ¹

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD ⁹
2010	-1.3 %	-0.8 %	4.7 %	1.8 %	-1.1 %	0.8 %	-2.6 %	6.3 %	0.9 %	8.0 %	-8.4 %	5.7 %	13.6 %
2011	-3.6 %	1.1 %	-5.1 %	4.1 %	-1.9 %	-1.6 %	0.1 %	4.2 %	0.2 %	-6.6 %	1.0 %	-2.2 %	-10.2 %
2012	-0.3 %	2.5 %	-2.8 %	-1.8 %	-2.5 %	2.6 %	0.5 %	-2.9 %	-0.2 %	-4.4 %	0.8 %	1.0 %	-7.7 %
2013	1.3 %	0.4 %	1.6 %	4.6 %	-3.9 %	-7.9 %	-3.1 %	-0.8 %	-3.8 %	5.7 %	-0.3 %	-0.8 %	-7.5 %
2014	-2.6 %	0.4 %	-0.5 %	-0.7 %	6.5 %	3.7 %	4.5 %	0.7 %	3.6 %				16.4 %

Next Edge AHL Fund - CAD Class A ¹

Other Classes

Class	Monthly Performance	NAV	FundSERV Code
A	3.6%	10.13	MCC 111
B	3.6%	10.14	MCC 113
C	3.6%	10.14	MCC 115
F	3.8%	10.83	MCC 173
G	3.6%	9.24	MCC 174
H	3.3%	10.71	MCC 181
L	3.6%	11.62	MCC 311
M	3.8%	11.77	MCC 373

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Important notes

¹ Next Edge AHL Fund (the 'Fund') returns are net of all fees and expenses associated with Class A Units charged from December 28, 2009 (trading start date). Returns for 2014 are unaudited. Therefore, performance statistics containing 2014 figures shown in this material are subject to final confirmation. ² World stocks: MSCI World Net Total Return Index hedged to CAD. ³ World bonds: Citigroup World Government Bond Index hedged to CAD (Total return). ⁴ Sharpe ratio is calculated using the risk-free rate in the appropriate currency over the period analyzed. Where an investment has underperformed the risk-free rate, the Sharpe ratio will be negative. Because the Sharpe ratio is an absolute measure of risk-adjusted return, negative Sharpe ratios are shown as N/A, as they can be misleading. Financial statistics that assume a normal distribution of returns from an investment strategy such as volatility, correlation and Sharpe ratio, may underrepresent the risk of sizeable rapid losses from such investment strategy. ⁵ In a correlation matrix the values can vary between minus one (perfect negative correlation), through zero (no correlation), to plus one (perfect positive correlation). ⁶ The chart shows long-term risk allocation calculated at the start of the reporting period versus the current sector risk allocations calculated at the end of the period. The current sector allocations give an indicative value of the relative risk of the positions taken within each sector at a given point in time; this number takes no account of correlations across sectors. The long-term risk allocations are designed to reflect the expected long-term risk exposure to each sector relative to the other sectors in the portfolio. The portfolio structure and constituents are regularly reviewed by the investment management team and sector allocations will change accordingly. ⁷ The key market attribution gives an indication of which markets have contributed most to the overall performance, both positively and negatively. Therefore, only the key markets are represented. ⁸ The sector attribution percentages above are to be used as indications only. The percentages are estimated and generated from the underlying AHL Diversified Programme system and do not take into account the fees/interest/commission charges on any particular account. Differences may also occur due to slippage variation, portfolio changes, FX movements and post execution adjustments. Therefore, the sum total of these sector indications will not necessarily equate to the reported performance for the month in question. ⁹ When 12 months of performance data is unavailable for a calendar year, partial year to date is shown. The indices shown are not benchmarks as they are not representative of the Fund's investment strategy. They shall be used as a comparison of different strategies only. Please note that if no index is offered for selection, we refrain from showing financial indices as no such index would be representative of the Fund's investment strategy and a comparison of strategies would be misleading.

Source: Man database and Bloomberg. There are inherent limitations in any comparison between a managed portfolio and a passive index. Each index is unmanaged and does not incur management fees, transaction costs or other expenses associated with a private fund. There are risks inherent in hedge fund investing programs.

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 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) and are not insured under provisions of that Act or any other legislation.

The Fund obtains exposure to a diversified portfolio of financial instruments across a range of global markets including currencies, bonds, stocks, energy, metals, agriculturals and interest rates (the "AHL Portfolio") managed by AHL Partners. (The "Investment Manager") using a trading program (the "AHL Diversified Programme"). The AHL Diversified Programme is implemented and managed by AHL ("AHL"), a division of the Investment Manager.

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 AHL Portfolio is not directly available to Canadian investors but rather, the Fund provides exposure to the AHL Portfolio. Calculations are based on net asset values after deductions for fees and operating expenses, which are not the same as those to be charged or incurred by the Fund. Therefore, differences in returns of the Fund versus the AHL Portfolio may occur due to a number of factors such as: taxes, fees and expenses, foreign exchange, cash flows, currency hedging, variations in trading programmes and allocations and asset size.

The information provided herein is for information purposes only and does not constitute a solicitation, public offering, advice or recommendation to buy or sell interests in the Fund, the Portfolio, shares or any other Next Edge product. Please refer to the Fund's prospectus for more information on the Fund as any information provided in this Report is qualified in its entirety by the disclosure therein.

Past performance is not an indication or guarantee of future performance. Access the latest performance and other information on the Next Edge Capital website: <http://www.NextEdgeCapital.com>.

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