

Next Edge AHL Fund

Annual Management Report of Fund Performance – 2015



This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Next Edge AHL Fund (the “Fund”). You may obtain a copy of the annual financial statements at your request, and at no cost, by calling (416) 775-3600 or toll-free at (877) 860-1080, by writing to us at Next Edge Capital Corp., 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6, Canada or by visiting our website at www.nextedgecapital.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

Certain portions of this report, including but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about Next Edge AHL Fund (the “Fund”), including its strategies, risks, expected performance and condition. All statements, other than statements of historical fact, that address activities, events or developments that Next Edge Capital Corp. (the “Manager”) and AHL Partners LLP, (the “Investment Manager”), (together, the “Companies”) believe, expect or anticipate will or may occur in the future (including, without limitation, statements regarding any targeted returns, projections, forecasts, statements and future plans and objectives of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Companies based on information currently available to the Fund.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Fund.

Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in international financial and commodities markets, fluctuations in currency exchange and interest rates, illiquidity of portfolio investments, reduction in availability of leverage, default by counterparties, special risks arising from short sales and investments in forward contracts and other derivatives, unintentional trades, accuracy of analytical models, valuation risks, limitations on redemptions, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled “Risk Factors” in the Fund’s prospectus.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Companies and the Fund disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Companies believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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Management discussion of fund performance

Investment Objective and Strategies

Next Edge AHL Fund, formerly Man Canada AHL DP Investment Fund (the “Fund”) is a commodity pool structured as an open-ended investment trust established under the laws of the Province of Ontario and governed by a Declaration of Trust dated November 12, 2009. The Fund changed its name from Man Canada AHL DP Investment Fund to Next Edge AHL Fund via an amendment to its Declaration of Trust dated June 27, 2014.

The Fund’s investment activities are managed by Next Edge Capital Corp., formerly Man Investments Canada Corp. (the “Manager”). The Fund’s custodian and administrator are Citibank Canada and Citigroup Fund Canada Inc., respectively. The registered office of the Fund is located at 1 Toronto Street, Suite 200, Toronto, Ontario, Canada.

The Fund’s investment objective is to provide holders of units (the “unitholders”) with the opportunity to realize capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities. The Fund is intended to provide added diversification and enhance the risk/reward profile of conventional investment portfolios.

To pursue its investment objectives, the Fund obtains exposure to the returns of a diversified portfolio of financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural commodities (the “Underlying Assets”) managed by AHL Partners LLP (the “Investment Manager” or “AHL”), a division of Man Group plc, using a predominantly trend-following trading program (the “AHL Diversified Programme”). The AHL Diversified Programme is implemented and managed by the Investment Manager. The Fund obtains exposure to the Underlying Assets through its investment in Man AHL DP Limited (“AHL DP Limited” or the “Underlying Fund”), an exempted company with limited liability incorporated in the Cayman Islands. The Underlying Fund holds and maintains the Underlying Assets.

The Fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class. All classes of units of the Fund are redeemable at the unitholders’ option. Each class of units is intended for different types of investors. All of the classes of units have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees, currency denomination, commissions or distributions. The net asset value per unit (the “Net Asset Value per Unit” or “NAV per Unit”) of each class is not the same as a result of the different fees, expenses and distributions allocable to each class of units.

Risk

The overall level of risk associated with an investment in the Fund has not changed over the year. There can be no assurance that the Fund will achieve its investment objective in respect of the AHL Diversified Programme. For details of the risks associated with an investment in the Fund, please refer to the Prospectus and the financial statements.

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Management discussion of fund performance (continued)

Results of Operations

The Fund had a negative return and experienced a decrease in its net assets during the year ended December 31, 2015:

Class of redeemable units	December 31, 2015 NAV per unit (CAD) ^{1,2}	December 31, 2014 NAV per unit (CAD) ^{1,2}	% return for the year ended December 31, 2015 ²
A	10.86	11.36	-4.4%
B	10.87	11.38	-4.5%
C	10.86	11.37	-4.5%
F	11.81	12.19	-3.1%
G	9.90	10.37	-4.5%
H	11.82	12.07	-2.1%
J ²	9.99	10.23	-2.3%
K ²	10.10	10.23	-1.3%
L	12.61	13.06	-3.4%
M	13.00	13.27	-2.0%

1. Net assets attributable to holders of redeemable units ("NAV", or "Net Assets")

2. Based on financial reporting NAVs

The Fund's investment portfolio continues to consist of an investment in the Underlying Fund. For a summary of the results of the operations of the Underlying Fund for the period, see the Underlying Fund MRFP as filed on SEDAR.

Performance Commentary of the Underlying Fund

The Underlying Fund had a negative return for the calendar year, broadly coming from positive returns on trading in weaker energy markets offset by losses in agricultural and credit markets. The year was characterized by uncertainty in the direction of global interest rates and reversals in currency and bond markets that had trended strongly in 2014.

Quarters 1 and 3 were positive, whereas 2 and 4 were negative. The positive quarters resulted from both bullish and bearish market environments; in Q1 risk markets were strong and the AHL Diversified Programme benefitted from bullish positioning, and in Q3 returns were achieved through predominantly bearish positioning.

Overall negative performance in Q2 and Q4 was namely due to large reversals. Over Q1 into mid-April, German 10-year bond yields fell from 54bp to 7bp, while shorter maturity bond yields had become significantly negative. This extremely strong trend upwards in price had been witnessed (and from which the Underlying Fund benefitted) in these instruments since the start of 2014. The violence of the move is relevant because trend followers typically scale positions inversely with volatility; low volatility leads to large positions, and vice-versa. There was no single catalyst for this move; it seemed that Bunds had recognized they had risen too far too fast, making the fall inevitable.

In early October, at the beginning of Q4, global equities sharply reversed after weak employment numbers in the US were interpreted (wrongly, if transpired) as a sign that rates were unlikely to rise, leading to a 3% move. Also in Q4, ECB President Mario Draghi under-delivered on market expectations of quantitative easing and the EUR promptly reversed 3%, from close to thirteen year lows versus USD. Even oil, now reaching eleven year lows, had its downward trend sharply interrupted at the end of August with around a 20% rebound. There was no significant news that caused this, as indeed is suggested by the subsequent resumption of the downward trend.

Trading within the 'non-traditional' component of the portfolio returned mixed results. CDS indices were choppy, resulting in positions oscillating from long to short, giving rise to losses to the Underlying Fund. Trading of non-traditional energies performed well, especially in the second half of the year. Coal was the best performing as its down-trend continued. Short positions in European power and UK and Dutch natural gas also performed positively.

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Management discussion of fund performance (continued)

In summary, 2015 was marked by strong reversals in markets where the Underlying Fund built large positions after extended periods of significant trending. While overall performance was disappointing, the Underlying Fund dynamically adapted to the market environment, adopting a risk-off stance in Q3 when weakness in China started to be felt globally. A neutral stance in August was achieved by offsetting 'risk-on' positions in equities and risk-off positions in fixed income, FX, and commodities. By the end of September, however, equities had also shifted to a net short position, and a resultant 'risk-off' position overall for the portfolio contributing to one of the many factors that led to an overall disappointing year-end performance.

Recent Developments

The Fund's investment portfolio continues to consist of an investment in the Underlying Fund. There were no changes to the manager, portfolio adviser, change of control of the manager or portfolio adviser, no reorganizations, and no changes to the composition of the independent review committee during the period.

Related Party Transactions

The Manager is responsible for the day-to-day operations of the Fund and provides management services to the Fund, including the marketing, promotion, and distribution of the Fund; transfer agency services; and unitholder reporting and servicing. In consideration of the management services, the Fund pays management fees, which are accrued for weekly, to the Manager based on the average NAV of the applicable class of units of the Fund. Dealer compensation, or service fees, if any, are paid out of management fees and the Manager is not reimbursed for these payments.

Total management fees for the year ended December 31, 2015 amounted to \$1,942,360 (2014: \$1,512,351) with \$83,569 in outstanding accrued fees due to the Manager at December 31, 2015 (December 31, 2014 \$131,821).

The Manager incurs operating expenses on behalf of the Fund and is then reimbursed by the Fund for such expenses.

The Manager also provided start-up investment capital to the Fund and sufficient initial capital to each additional class of the Fund to permit that series to be valued effectively on a weekly basis. The Manager's investment in the Fund is recorded at the NAV per unit of each class, as applicable.

National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds, such as the Fund, to establish an independent review committee ("IRC"). Consequently, the Manager has appointed three independent IRC members. The purpose of the IRC is to: (i) review and provide input on the Manager's written policies and procedures that deal with conflict of interest matters; (ii) consider and, if deemed appropriate, approve the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and (iii) perform such other duties as may be required of the IRC under applicable Canadian securities laws. Additional information about the IRC is available in the Fund's prospectus. Fees are paid to the IRC members for the performance of their duties.

The total remuneration paid to members of the Independent Review Committee during the year ended December 31, 2015 was \$47,803 (2014: \$26,743). There were no outstanding payables relating to Independent Review Committee fees as at December 31, 2015, and December 31, 2014.

The Fund also earns its returns based on the performance of the Underlying Assets which are managed by the Investment Manager. Effective June 10, 2014, the Investment Manager, wholly owned by Man Group plc, was no longer a Related Party.

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Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from January 1 to December 31, 2015; from January 1 to December 31, 2014; from January 1 to December 31, 2013; from January 1 to December 31, 2012; from January 1 to December 31, 2011.

Class A – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³	Dec 31, 2011 ³
Net Assets per unit, beginning of period	11.36	8.70	9.42	10.32	11.42
Increase (decrease) from operations					
Total revenue	0.05	0.03	0.02	0.07	0.07
Total expenses	(0.36)	(0.29)	(0.21)	(0.19)	(0.21)
Realized gains (losses) for the period	1.39	0.93	0.56	0.31	(2.13)
Unrealized gains (losses) for the period	(1.54)	2.00	(1.10)	(1.11)	1.25
Total increase (decrease) from operations	(0.46)	2.68	(0.73)	(0.92)	(1.02)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	10.86	11.36	8.70	9.42	10.32

Class B – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³	Dec 31, 2011 ³
Net Assets per unit, beginning of period	11.38	8.71	9.43	10.33	11.42
Increase (decrease) from operations					
Total revenue	0.05	0.02	0.02	0.07	0.07
Total expenses	(0.37)	(0.28)	(0.22)	(0.19)	(0.21)
Realized gains (losses) for the period	1.43	0.84	0.57	0.32	(2.13)
Unrealized gains (losses) for the period	(1.55)	1.85	(1.13)	(1.11)	1.25
Total increase (decrease) from operations	(0.44)	2.43	(0.75)	(0.91)	(1.02)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	10.87	11.38	8.71	9.43	10.33

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Financial highlights (continued)

Class C – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³	Dec 31, 2011 ³
Net Assets per unit, beginning of period	11.37	8.71	9.42	10.33	11.42
Increase (decrease) from operations					
Total revenue	0.05	0.03	0.02	0.07	0.07
Total expenses	(0.38)	(0.29)	(0.22)	(0.19)	(0.21)
Realized gains (losses) for the period	1.42	0.92	0.61	0.30	(2.17)
Unrealized gains (losses) for the period	(1.54)	1.97	(1.13)	(1.09)	1.32
Total increase (decrease) from operations	(0.45)	2.63	(0.71)	(0.91)	(1.00)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ⁴	10.86	11.37	8.71	9.42	10.33

Class F – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³	Dec 31, 2011 ³
Net Assets per unit, beginning of period	12.19	9.19	9.81	10.61	11.58
Increase (decrease) from operations					
Total revenue	0.06	0.03	0.02	0.07	0.07
Total expenses	(0.23)	(0.15)	(0.09)	(0.06)	(0.06)
Realized gains (losses) for the period	1.48	0.95	0.53	0.30	(2.14)
Unrealized gains (losses) for the period	(1.68)	2.01	(1.10)	(1.14)	1.18
Total increase (decrease) from operations	(0.37)	2.84	(0.64)	(0.83)	(0.95)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ⁴	11.81	12.19	9.19	9.81	10.61

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Financial highlights (continued)

Class G – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³	Dec 31, 2011 ³
Net Assets per unit, beginning of period	10.37	7.94	8.60	9.45	10.43
Increase (decrease) from operations					
Total revenue	0.05	0.03	0.02	0.06	0.06
Total expenses	(0.36)	(0.27)	(0.20)	(0.19)	(0.21)
Realized gains (losses) for the period	1.46	0.83	0.54	0.27	(2.26)
Unrealized gains (losses) for the period	(1.78)	1.77	(1.00)	(0.98)	1.68
Total increase (decrease) from operations	(0.63)	2.36	(0.64)	(0.84)	(0.73)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ⁴	9.90	10.37	7.94	8.60	9.45

Class H – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	12.07	9.08	10.00
Increase (decrease) from operations			
Total revenue	0.06	0.05	-
Total expenses	(0.09)	(0.12)	(0.09)
Realized gains (losses) for the period	1.51	0.98	(1.06)
Unrealized gains (losses) for the period	(1.57)	2.66	0.11
Total increase (decrease) from operations	(0.09)	3.57	(1.04)
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions	-	-	-
Net Assets per unit, end of period ⁴	11.82	12.07	9.08

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Financial highlights (continued)

Class J – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹
Net Assets per unit, beginning of period	10.23	-
Increase from operations		
Total revenue	0.05	-
Total expenses	(0.32)	-
Realized gains for the period	0.40	0.01
Unrealized gains for the period	(0.38)	0.22
Total increase from operations	(0.25)	0.23
Distributions		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions	-	-
Net Assets per unit, end of period ³	9.99	10.23

Class K – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹
Net Assets per unit, beginning of period	10.23	-
Increase from operations		
Total revenue	0.05	0.01
Total expenses	(0.20)	-
Realized gains for the period	0.36	0.01
Unrealized gains for the period	(0.14)	0.22
Total increase from operations	0.07	0.24
Distributions		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total distributions	-	-
Net Assets per unit, end of period ⁴	10.10	10.23

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Class L – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	13.06	10.00	10.00
Increase from operations			
Total revenue	0.06	0.04	-
Total expenses	(0.28)	(0.34)	-
Realized gains for the period	1.46	0.63	-
Unrealized gains for the period	(2.00)	2.24	-
Total increase from operations	(0.76)	2.57	-
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions	-	-	-
Net Assets per unit, end of period ⁴	12.61	13.06	10.00

Class M – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	13.27	10.00	10.00
Increase (decrease) from operations			
Total revenue	0.06	0.05	-
Total expenses	(0.09)	(0.20)	-
Realized gains for the period	1.53	0.73	-
Unrealized gains for the period	(1.90)	2.60	-
Total increase from operations	(0.40)	3.18	-
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions	-	-	-
Net Assets per unit, end of period ⁴	13.00	13.27	10.00

1. This information is derived from the Fund's audited financial statements for the year ended December 31, 2015 and 2014. Information related to the year ended December 31, 2015 and 2014 has been prepared in compliance with International Financial Reporting Standards as published by the International Accounting Standards Board.

2. This information is derived from the Company's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required

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Financial highlights (continued)

the use of close prices for the Common Share Portfolio and Forward Agreement. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP.

Prior to December 9, 2013, the Fund obtained exposure to the Underlying Assets through one or more forward purchase and sale agreements (collectively, the "Forward Agreement") entered into with one or more Canadian chartered banks and/or their affiliates (the "Counterparty"). The Counterparty in turn held AHL Investment Strategies SPC Class D Man AHL Diversified 2 CAD Notes ("AHL SPC Notes"), which held the Underlying Assets at the time. The Fund invested in a specified portfolio of common shares of Canadian public companies (the "Common Share Portfolio") that were listed on the Toronto Stock Exchange, pursuant to which the Counterparty agreed to pay to the Fund upon a partial settlement the purchase price of the relevant portion of an investment in the applicable Common Share Portfolio, an amount equal to 100% of the redemption proceeds of a corresponding number of participating AHL SPC Notes.

3. This information is derived from the Fund's audited financial statements for the years ended December 31, 2012, and 2011. Information related to the years ended December 31, 2012, and 2011 had been prepared in compliance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountants of Canada Handbook – Accounting at the time.
4. Net Assets are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is calculated based on the average number of units outstanding over the period. Therefore, the beginning of period Net Assets, the increase (decrease) from operations and distributions, if any, will not sum to the end of period Net Assets.

Class A – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴	Dec 31, 2011 ⁴
Total NAV (CAD 000s) ¹	37,937	44,201	31,108	53,900	78,538
Number of units outstanding ¹	3,493,554	3,890,153	3,575,253	5,723,378	7,607,444
Management expense ratio ⁵	8.15%	8.03%	5.59%	5.31%	5.22%
Management expense ratio before waivers or absorptions	8.15%	8.43%	5.59%	5.31%	5.22%
Trading expense ratio ⁶	0.02%	0.04%	0.92%	0.90%	0.94%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%	22.57%	86.63%
NAV per unit (CAD)	10.86	11.36	8.70	9.42	10.32

Class B – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴	Dec 31, 2011 ⁴
Total NAV (CAD 000s) ¹	10,940	14,359	15,755	24,966	28,831
Number of units outstanding ¹	1,006,698	1,261,953	1,809,079	2,648,598	2,790,912
Management expense ratio ⁵	8.22%	7.31%	5.61%	5.29%	5.19%
Management expense ratio before waivers or absorptions	8.22%	7.71%	5.61%	5.29%	5.19%
Trading expense ratio ⁶	0.02%	0.04%	0.92%	0.90%	0.94%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%	22.57%	86.63%
NAV per unit (CAD)	10.87	11.38	8.71	9.43	10.33

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Class C – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴	Dec 31, 2011 ⁴
Total NAV (CAD 000s) ¹	5,178	6,446	5,261	6,910	9,990
Number of units outstanding ¹	476,865	566,876	604,333	733,277	967,200
Management expense ratio ⁵	8.25%	7.70%	5.62%	5.30%	5.17%
Management expense ratio before waivers or absorptions	8.25%	8.10%	5.62%	5.30%	5.18%
Trading expense ratio ⁶	0.02%	0.04%	0.92%	0.90%	0.94%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%	22.57%	86.63%
NAV per unit (CAD)	10.86	11.37	8.71	9.42	10.33

Class F – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴	Dec 31, 2011 ⁴
Total NAV (CAD 000s) ¹	16,447	17,159	13,440	37,928	71,967
Number of units outstanding ¹	1,392,418	1,407,087	1,462,174	3,865,846	6,784,664
Management expense ratio ⁵	6.79%	6.76%	4.15%	3.92%	3.88%
Management expense ratio before waivers or absorptions	6.79%	7.16%	4.15%	3.92%	3.88%
Trading expense ratio ⁶	0.02%	0.04%	0.92%	0.90%	0.94%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%	22.57%	86.63%
NAV per unit (CAD)	11.81	12.19	9.19	9.81	10.61

Class G – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴	Dec 31, 2011 ⁴
Total NAV (CAD 000s) ¹	1,555	4,614	3,972	5,548	10,054
Number of units outstanding ¹	157,086	445,036	500,246	644,885	1,064,285
Management expense ratio ⁵	8.35%	7.68%	5.70%	5.48%	5.24%
Management expense ratio before waivers or absorptions	8.35%	8.08%	5.70%	5.48%	5.24%
Trading expense ratio ⁶	0.02%	0.04%	0.92%	0.90%	0.94%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%	22.57%	86.63%
NAV per unit (CAD)	9.90	10.37	7.94	8.60	9.45

Class H – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³
Total NAV (CAD 000s) ¹	3,423	4,373	991
Number of units outstanding ¹	289,466	362,233	109,189
Management expense ratio ⁵	5.69%	7.88%	1.23%
Management expense ratio before waivers or absorptions	5.69%	8.28%	1.23%
Trading expense ratio ⁶	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.82	12.07	9.08

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2015

Financial highlights (continued)

Class J – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²
Total NAV (CAD 000s) ¹	8,853	19,347
Number of units outstanding ¹	886,213	1,891,444
Management expense ratio ⁵	6.72%	10.32%
Management expense ratio before waivers or absorptions	6.72%	10.84%
Trading expense ratio ⁶	0.02%	0.04%
Portfolio turnover rate ⁷	80.01%	67.15%
NAV per unit (CAD)	9.99	10.23

Class K – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²
Total NAV (CAD 000s) ¹	1,260	3,415
Number of units outstanding ¹	124,709	333,680
Management expense ratio ⁵	5.63%	9.19%
Management expense ratio before waivers or absorptions	5.63%	9.71%
Trading expense ratio ⁶	0.02%	0.04%
Portfolio turnover rate ⁷	80.01%	67.15%
NAV per unit (CAD)	10.10	10.23

Class L – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³
Total NAV (CAD 000s) ¹	1,131	629	537
Number of units outstanding ¹	89,639	48,198	53,740
Management expense ratio ⁵	7.05%	7.45%	-
Management expense ratio before waivers or absorptions	7.05%	7.85%	-
Trading expense ratio ⁶	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%
NAV per unit (CAD)	12.61	13.06	10.00

Class M – Ratios and Supplement Data:

For the periods ended	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³
Total NAV (CAD 000s) ¹	10,816	6,214	4,855
Number of units outstanding ¹	831,914	468,138	485,670
Management expense ratio ⁵	5.64%	6.29%	-
Management expense ratio before waivers or absorptions	5.64%	6.69%	-
Trading expense ratio ⁶	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	80.01%	67.15%	31.14%
NAV per unit (CAD)	13.00	13.27	10.00

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2015

Financial highlights (continued)

1. This information is provided as at and for the period ended December 31, 2015, 2014, 2013, 2012, and 2011.
2. Information related to the year ended December 31, 2015 and 2014 has been prepared in compliance with International Financial Reporting Standards as published by the International Accounting Standards Board.
3. This information is derived from the Company's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of close prices for the Common Share Portfolio and Forward Agreement. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP.
4. Information related to the periods ended December 31, 2012, and 2011 had been prepared in compliance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountants of Canada Handbook – Accounting at the time.
5. Management expense ratio is based on total expenses of the Fund and the Fund's allocated percentage of Man AHL DP Limited's (applicable effective December 9, 2013) and AHL Investment Strategies SPC – Class D Man AHL Diversified 2 CAD Notes' (applicable prior to December 9, 2013) expenses for the stated period as applicable (excluding commission and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratio is calculated in accordance with Part 15 of NI 81-106.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

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Annual management report of fund performance – December 31, 2015

Financial highlights (continued)

Management Fees

For the year ended December 31, 2015, for its services to the Fund, the Manager was entitled to receive from the Fund, a management fee (the “Management Fee”) at (up to) an annual rate of: (i) 2.25% of the portion of its Net Asset Value represented by the Class A units, Class B units, Class C units; (ii) 2.30% of the portion of its Net Asset Value represented by the Class G units; (iii) 2.00% of the portion of its Net Asset Value represented by the Class J units (2.25% prior to Nov 25, 2014), (iv) 1.25% of the portion of its Net Asset Value represented by the Class L units (2.25% prior to June 27, 2014); (v) 1.00% of the portion of its Net Asset Value represented by the Class F units, and Class K units; and (vi) 0% of the portion of its Net Asset Value represented by the Class H units (1.00% prior to June 27, 2014) and Class M units, calculated weekly and paid monthly in arrears, plus applicable taxes. The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund’s units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to the role of the Manager.

Annual management fees, and a breakdown of the services received in consideration of the management fees, as a percentage of management fees, for the year ended December 31, 2015, are as follows:

As a percentage of management fees

Class of units	Annual Rates	Dealer Compensation	General administration, investment advice and profit
A	2.25%	55.56%	44.44%
B ¹ (non-matured units)	2.25%	11.11%	88.89%
B ¹ (matured units)	2.25%	55.56%	44.44%
C	2.25%	22.22%	77.78%
F	1.00%	0.00%	100.00%
G	2.30%	21.74%	78.26%
H (prior to Jun 27, 2014)	1.00%	0.00%	100.00%
H (after Jun 27, 2014)	0.00%	n/a	n/a
J (prior to Nov 25, 2014)	2.25%	55.56%	44.44%
J (after Nov 25, 2014)	2.00%	50.00%	50.00%
K	1.00%	0.00%	100.00%
L (prior to Jun 27, 2014)	2.25%	55.56%	44.44%
L (after Jun 27, 2014)	1.25%	100.00%	0.00%
M (prior to Jun 27, 2014)	1.00%	0.00%	100.00%
M (after Jun 27, 2014)	0.00%	n/a	n/a

1. For class B, service fees payable to registered dealers increase to 1.25% of the NAV per unit (from 0.25%) commencing three years from the date of issue of such units. During the year ended December 31, 2014, the majority of the issued class B units matured to the new fee structure.

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2015

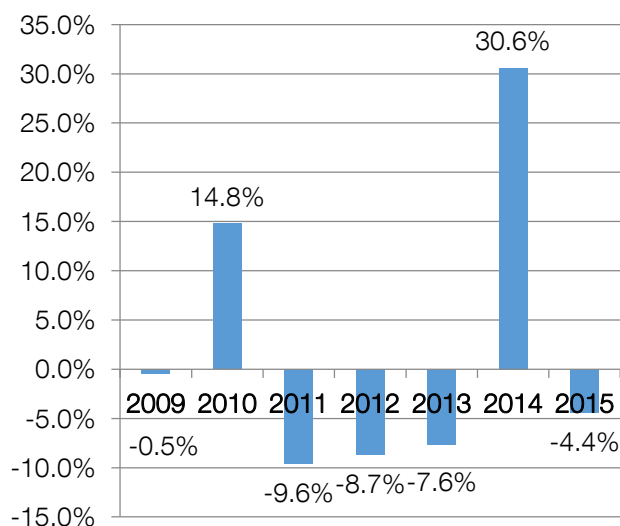
Past performance

Year-by-Year Returns¹

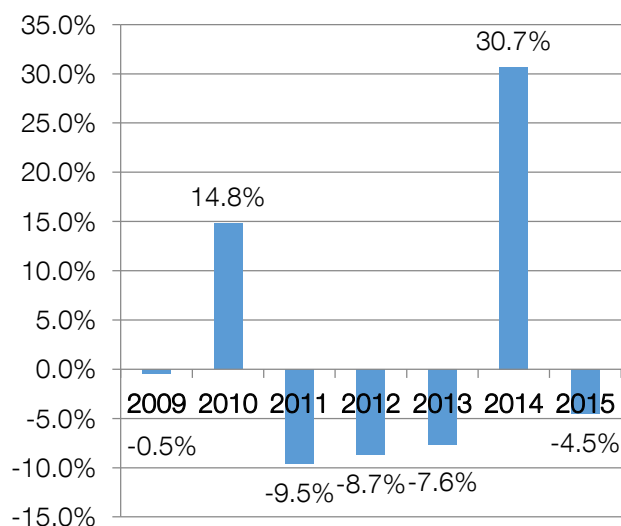
Reported returns are from December 1, 2009 (the Fund's inception date) to December 31, 2009, January 1, 2010 to December 31, 2010, January 1, 2011 to December 31, 2011, January 1, 2012 to December 31, 2012, January 1, 2013 to December 31, 2013, January 1, 2014 to December 31, 2014, and January 1, 2015 to December 31, 2015 as applicable.

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information shown does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

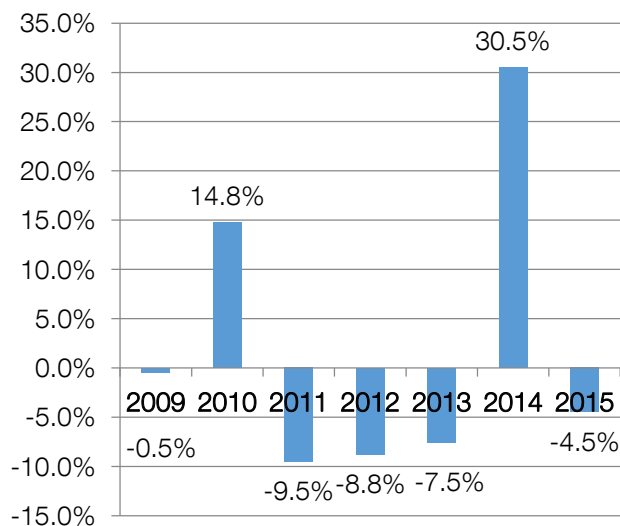
Class A



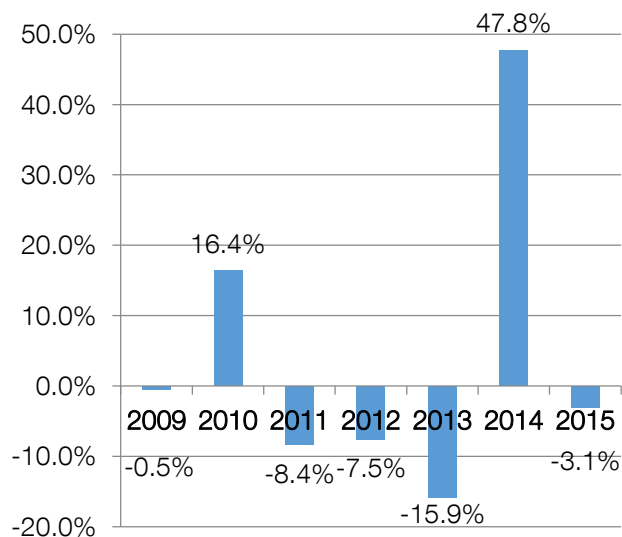
Class B



Class C



Class F

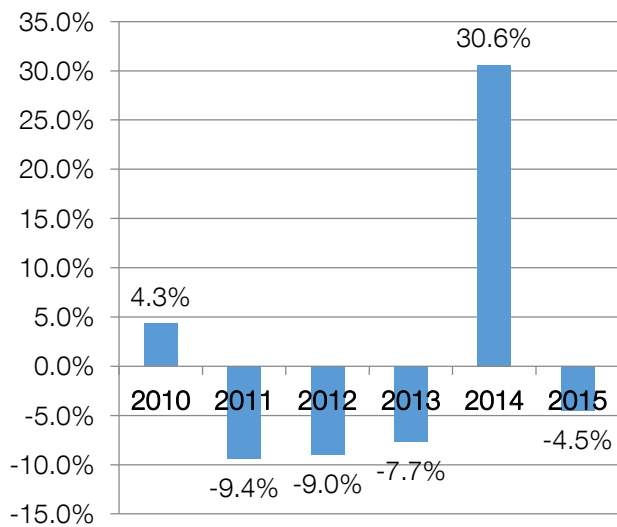


Next Edge AHL Fund

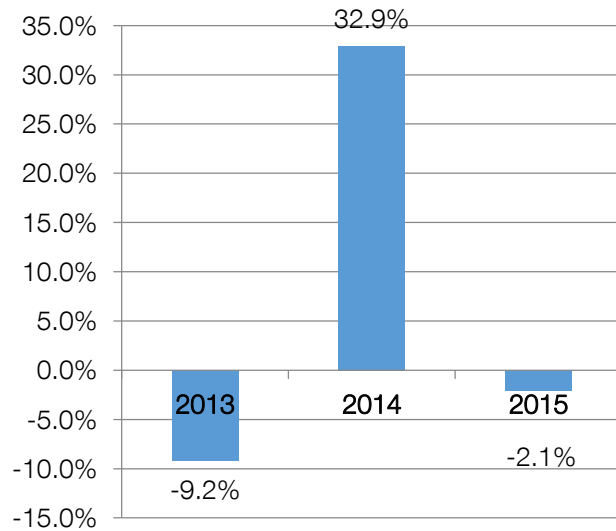
Annual management report of fund performance – December 31, 2015

Past performance (continued)

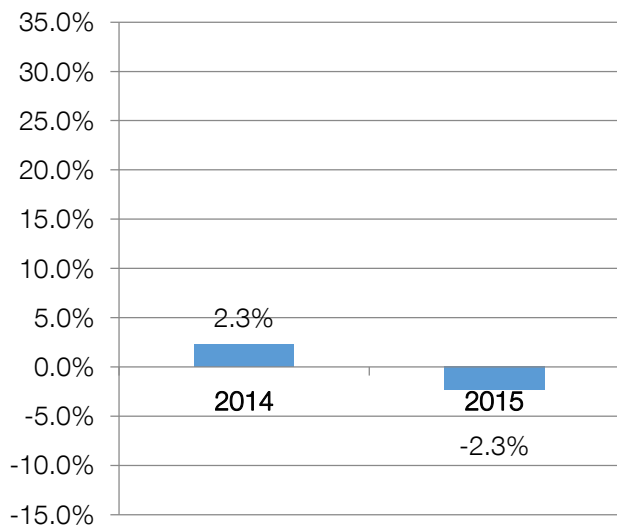
Class G²



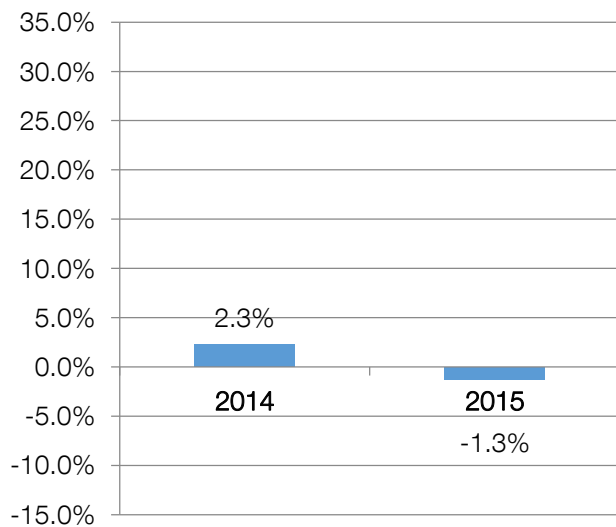
Class H³



Class J⁴



Class K⁴

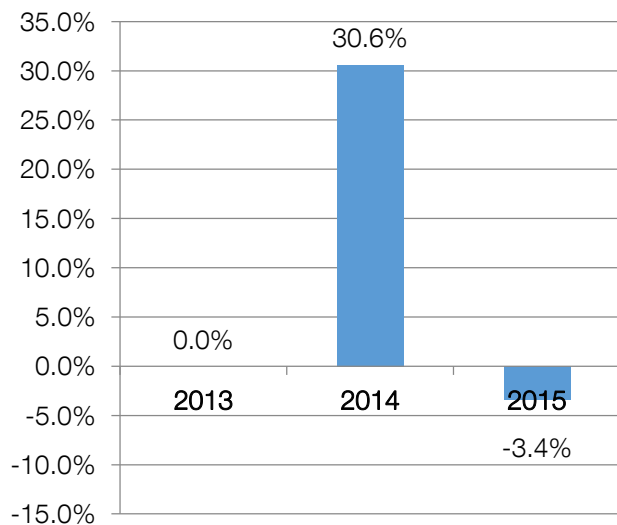


Next Edge AHL Fund

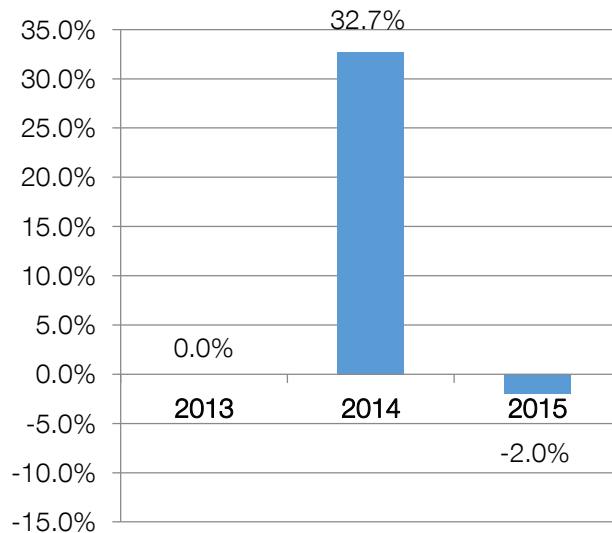
Annual management report of fund performance – December 31, 2015

Past performance (continued)

Class L⁵



Class M⁵



1. Based on financial reporting NAVs
2. Class G units were initially issued on November 9, 2010. The 2010 period return presented is from November 9, 2010 to December 31, 2013.
3. Class H units were initially issued on February 14, 2013. The 2013 period return presented is from February 14, 2013 to December 31, 2013.
4. Class J and K units were first issued on December 16, 2014. The 2014 period return presented is from December 16, 2014 to December 31, 2014.
5. Class L and M units were first issued on December 30, 2013. The 2013 period return presented is from December 30, 2013 to December 31, 2013.

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Annual management report of fund performance – December 31, 2015

Past performance (continued)

Annual Compound Returns

The following table shows the historical annualized compound returns for each Class of units of the Fund, for each of the periods ended December 31, 2015. It also shows, for the same periods, the returns for world stocks, world bonds, and managed futures. The performance of world stocks, world bonds, and managed futures, have been hedged into the Fund's currency Canadian dollars using the relevant three month LIBOR interest rate differentials. The world stocks and world bonds indices selected are not benchmarks, as they are not representative of the Fund's investment strategy.

Percentage Return	1 year	3 years	5 years	10 years	Since Inception ⁵
Class A Units ¹	-4.4%	4.9%	-1.0%	n/a	1.4%
Class B Units ¹	-4.5%	4.9%	-1.0%	n/a	1.4%
Class C Units ¹	-4.5%	4.9%	-1.0%	n/a	1.4%
Class F Units ¹	-3.1%	6.4%	0.4%	n/a	2.8%
Class G Units ¹	-4.5%	4.8%	-1.0%	n/a	-0.2%
Class H Units ¹	-2.1%	n/a	n/a	n/a	5.9%
Class J Units ¹	-2.3%	n/a	n/a	n/a	-0.1%
Class K Units ¹	-1.3%	n/a	n/a	n/a	1.0%
Class L Units ¹	-3.4%	n/a	n/a	n/a	12.3%
Class M Units ¹	-2.0%	n/a	n/a	n/a	14.0%
World Stocks ²	2.6%	13.9%	10.5%	n/a	10.4%
World Bonds ³	1.9%	4.1%	4.8%	n/a	4.7%
Managed Futures ⁴	-0.4%	4.8%	1.9%	n/a	2.7%

Source: Next Edge database and Bloomberg. There is no guarantee of performance and past or projected performance is not a reliable indicator of future performance. The latest data available at the time of production has been used. Returns may increase or decrease as a result of currency fluctuations. The performance of world stocks and world bonds have been hedged into the Fund's currency (CAD) using the relevant three month LIBOR interest rate differentials.

1. The Fund is valued weekly; however, for comparative purposes, statistics have been calculated using a year-end valuation for financial reporting purposes as at December 31, 2015.
2. World stocks: MSCI World Net Total Return Index hedged to CAD, the Inception date used is December 31, 2009.
3. World bonds: Citigroup World Government Bond Index hedged to CAD (Total return), the Inception date used is December 31, 2009.
4. Barclay BTOP 50 Index hedged to CAD. Inception date varies by class. For World Stocks, World Bonds, and Managed Futures, the Inception date used is December 31, 2009.
5. The inception dates used in the calculation of returns since inception are as follows: November 29, 2009 for Classes A, B, C, and F units; November 9, 2010 for Class G units; February 1, 2013 for Class H units; December 16, 2014 for Class J and K units; and December 30, 2013 for Class L and M units.

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2015

Past performance (continued)

The following shows the underlying assets allocation by asset class and the top 25 holdings as presented in the Man AHL DP Limited Management Report on Fund Performance posted on SEDAR. The Underlying Assets may change due to ongoing portfolio transactions. For further details, see the Man AHL DP Limited financial statements for the year ended December 31, 2015 as posted on SEDAR.

Portfolio Allocation

Asset Class	% of Net Asset Value ²	Asset Class	% of Net Asset Value ²
Long positions		Short positions	
Cash & equivalents ³	78.70%	Currency	(17.35)%
Fund	25.82%	Interest rate	(1.75)%
Currency	12.50%	Metal	(1.23)%
Agricultural	2.18%	Energy	(1.12)%
Energy	1.83%	Agricultural	(0.84)%
Interest rate	1.39%	Stock index	(0.67)%
Metal	0.98%		
Stock index	0.38%		
Total long	123.78%	Total short	(22.96)%
Total investments	100.82%		
Other assets, net liabilities	(0.82)%		
Total Net Asset Value	100.00%		

Top 25 Long Positions

Issuer	% of Net Asset Value ²
AHL Evolution Ltd	25.82%
USD/GBP forward contract	1.15%
BRENT CRUDE FUTR May16 – Intercontinental Exchange	1.03%
USD/CAD forward contract	1.01%
JPY/GBP forward contract	0.75%
USD/CAD forward contract	0.70%
JPY/USD forward contract	0.55%
SOYBEAN MEAL FUTR Mar16 – Chicago Board of Trade	0.54%
USD/BRL forward contract	0.48%
AUD/GBP forward contract	0.47%
USD/ZAR forward contract	0.47%
CORN FUTURE Mar16 – Chicago Board of Trade	0.47%
AUD/USD forward contract	0.44%
JPY/EUR forward contract	0.43%
NZD/EUR forward contract	0.42%
USD/EUR forward contract	0.40%
CAN 10YR BOND FUT Mar16 – Montreal Exchange	0.38%
USD/MXN forward contract	0.37%
SEK/EUR forward contract	0.37%
EUR/GBP forward contract	0.28%
USD/NOK forward contract	0.27%
JPN 10Y BOND(OSE) Mar16 – Osaka Securities Exchange	0.26%
PLN/USD forward contract	0.25%
USD/ILS forward contract	0.25%
AUD/EUR forward contract	0.24%

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2015

Past performance (continued)

Top 25 Short Positions

Issuer	% of Net Asset Value ²
CAD/USD forward contract	(5.23)%
USD/JPY forward contract	(1.00)%
BRL/USD forward contract	(0.84)%
NATURAL GAS FUTR Feb16 – New York Mercantile Exchange	(0.80)%
GBP/JPY forward contract	(0.72)%
EUR/JPY forward contract	(0.70)%
USD/JPY forward contract	(0.65)%
USD/AUD forward contract	(0.62)%
AUD/JPY forward contract	(0.58)%
MXN/USD forward contract	(0.49)%
EUR/SEK forward contract	(0.47)%
EUR/PLN forward contract	(0.34)%
GBP/EUR forward contract	(0.34)%
AUST 3YR BOND FUT Mar16 – Sydney Futures Exchange	(0.30)%
USD/PHP forward contract	(0.28)%
Platinum commodity contract	(0.25)%
GBP/AUD forward contract	(0.25)%
EUR/USD forward contract	(0.23)%
LEAN HOGS FUTURE Apr16 – Chicago Mercantile Exchange	(0.22)%
HUF/EUR forward contract	(0.22)%
EUR/AUD forward contract	(0.22)%
ZAR/USD forward contract	(0.21)%
USD/NZD forward contract	(0.21)%
EURODOLLAR H17 Mar17 – Chicago Mercantile Exchange	(0.21)%
CHF/USD forward contract	(0.17)%

Total Net Asset Value of the Underlying Fund:

CAD 32,175,178¹

1. The total fair value of the Fund's investments is referable to Class A and Class C redeemable participating shares issued by Man AHL DP Limited. As at December 31, 2015, 142,109 Class A shares with a Net Asset Value of approximately \$29.58 million representing 100% of the outstanding Class A shares, and 12,269 Class C shares with a Net Asset Value of approximately \$2.60 million representing 100% of the outstanding Class C Shares were issued to the Fund.
2. The percentage of the Class net assets refer to the amount of margin required in cash terms to be pledged against the relevant investments. The cash requirement has then been converted into a percentage of the Net Asset Value of Man AHL DP Limited. The investments of Man AHL DP Limited consist predominately of futures contracts in the AHL Portfolio written across a range of global markets including currencies, bonds, stocks, energies, agriculturals, metals and interest rates and may have a substantially larger notional value than is reflected by the investment amount with the result that the portfolio is exposed to a form of leverage. Such futures contracts may be purchased or sold resulting in a long or short investment position.
3. Cash is comprised of cash in bank deposits and cash held with brokers in order to meet margin requirements.

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