

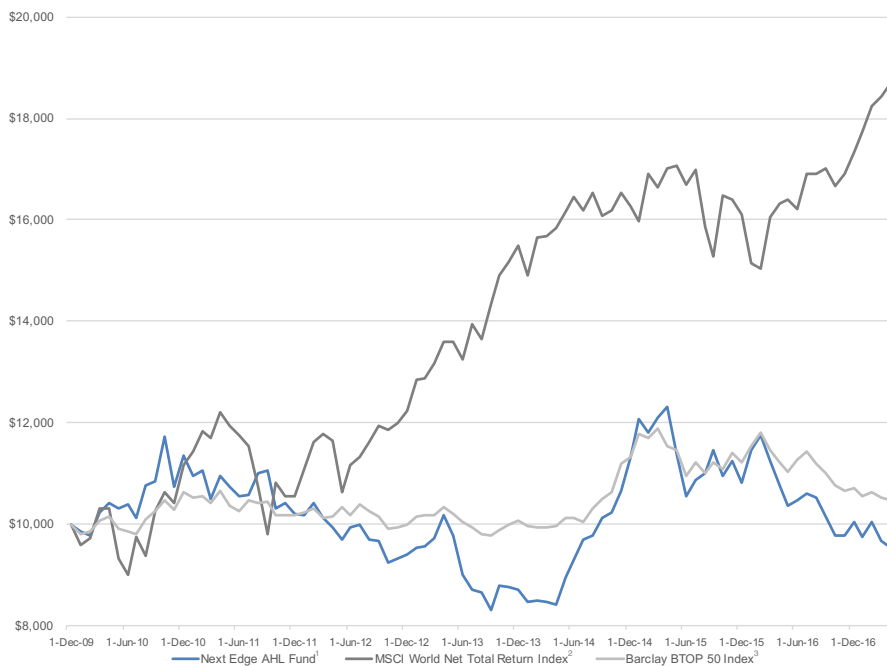
# NEXT EDGE AHL FUND

Monthly Report as of May 31<sup>st</sup>, 2017

The Next Edge AHL Fund (the "Fund")<sup>1</sup> gains exposure to the AHL Diversified Programme, a quantitative and predominantly directional based investment strategy managed by AHL Partners LLP, a division of Man Group PLC. A pioneer in systematic trading with a 25 year track record, AHL is a world leading quantitative investment manager with USD 19.0 billion AUM\*. The AHL Diversified Programme aims to take advantage of price trends with no bias as to the direction in a large number of highly regulated and liquid exchanges around the world including stocks, bonds, currencies, short-term interest rates, energy, metals, credit and agricultural commodities.

## PERFORMANCE CHART

December 29<sup>th</sup>, 2009 to May 31<sup>st</sup>, 2017



## PERFORMANCE STATISTICS

December 29<sup>th</sup>, 2009 to May 31<sup>st</sup>, 2017

	AHL FUND <sup>1</sup>	World Stocks <sup>2</sup>	Managed Futures <sup>3</sup>
<b>Last Month</b>	1.25%	2.12%	-0.12%
<b>Last Quarter</b>	-3.89%	4.73%	-1.61%
<b>Year to Date</b>	-3.91%	10.23%	-2.47%
<b>Last 12 Months</b>	-7.02%	16.42%	-5.30%
<b>Annualized Return</b>	-0.48%	9.11%	0.60%
<b>Annualized Volatility</b>	12.52%	13.37%	6.16%
<b>Sharpe Ratio<sup>4</sup></b>	N/A	0.63	N/A
<b>Correlation<sup>5</sup></b>	1.00	-0.02	0.72
<b>Worst Drawdown</b>	-29.04%	-19.64%	-12.00%

## VAR<sup>8</sup>

<b>Stocks</b>	1.06
<b>Currencies</b>	0.80
<b>Credit</b>	0.14
<b>Commodities</b>	0.70
<b>Bonds and Rates</b>	1.07

## HISTORICAL PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	-2.94%	3.00%	-3.65%	-1.48%	1.25%	--	--	--	--	--	--	--	-3.91%**
2016	5.99%	2.52%	-4.37%	-4.23%	-3.17%	0.51%	1.32%	-0.68%	-3.67%	-3.64%	-0.04%	2.70%	-7.13%
2015	6.70%	-2.13%	2.45%	1.66%	-7.48%	-7.30%	3.00%	1.34%	4.04%	-4.47%	2.67%	-3.80%	-4.42%
2014	-2.64%	0.36%	-0.45%	-0.66%	6.51%	3.73%	4.47%	0.68%	3.64%	1.14%	4.05%	6.20%	30.03%
2013	1.27%	0.45%	1.57%	4.62%	-3.95%	-7.89%	-3.07%	-0.75%	-3.84%	5.69%	-0.31%	-0.79%	-7.54%
2012	-0.29%	2.48%	-2.80%	-1.81%	-2.54%	2.58%	0.48%	-2.91%	-0.24%	-4.42%	0.77%	0.98%	-7.72%
2011	-3.59%	1.10%	-5.06%	4.10%	-1.94%	-1.59%	0.13%	4.22%	0.25%	-6.58%	1.01%	-2.17%	-10.22%
2010	-1.31%	-0.83%	4.70%	1.81%	-1.11%	0.83%	-2.57%	6.25%	0.87%	8.03%	-8.42%	5.73%	13.63%



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**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2009	-0.60%	-1.20%	-5.22%	-4.71%	1.72%	-4.96%	1.78%	-1.45%	2.20%	-4.19%	4.84%	-11.01%	-21.43%
2008	4.97%	7.26%	-0.03%	-1.49%	3.60%	1.59%	-7.49%	-3.86%	-0.39%	13.30%	4.34%	3.50%	26.49%
2007	1.36%	-5.90%	-2.85%	6.73%	3.48%	3.48%	-1.58%	-5.22%	7.15%	5.11%	-0.06%	-0.31%	10.82%
2006	3.91%	-0.79%	-1.97%	8.84%	-3.35%	-1.14%	-5.44%	1.14%	1.81%	0.18%	1.92%	2.32%	7.25%
2005	-6.56%	4.34%	-1.16%	-2.34%	2.82%	6.95%	-0.31%	2.30%	3.98%	0.66%	6.28%	-0.55%	16.77%
2004	4.48%	-1.00%	-0.86%	-4.45%	-3.41%	-4.86%	-2.01%	1.46%	2.83%	7.14%	6.44%	0.15%	5.15%
2003	6.93%	8.09%	-8.27%	-0.97%	13.46%	-4.02%	-0.24%	-0.88%	1.07%	2.52%	-3.36%	8.03%	22.30%
2002	-3.53%	-4.66%	-1.96%	-1.91%	-0.19%	12.97%	5.74%	2.47%	8.26%	-9.60%	-4.61%	10.42%	11.39%
2001	-0.10%	2.92%	11.83%	-6.30%	-2.13%	1.46%	1.62%	0.81%	16.39%	0.90%	-4.66%	-2.46%	19.70%
2000	1.14%	-0.16%	-2.45%	-4.19%	7.00%	-5.33%	-2.18%	3.45%	-0.61%	4.62%	3.75%	14.92%	19.93%
1999	-4.73%	2.33%	-2.15%	6.37%	-3.80%	2.66%	-2.76%	3.27%	2.62%	-4.18%	4.78%	2.75%	6.53%
1998	-2.54%	5.82%	1.20%	-2.77%	4.95%	3.94%	-0.37%	19.87%	0.36%	0.04%	2.40%	3.78%	41.05%
1997	3.14%	6.44%	-2.33%	-4.15%	0.78%	4.58%	9.43%	-8.00%	2.14%	2.10%	-1.99%	10.80%	23.49%
1996	--	--	--	4.40%	-2.49%	0.49%	-2.15%	0.60%	10.63%	8.62%	9.83%	3.16%	37.10%**

10. Next Edge AHL Fund - Class A Units - January 1, 2010 to latest data available - Source: Next Edge Capital Corp.

11. Man AHL Diversified (Canada) Fund - Class A Units - November 1, 2006 to December 31, 2009 - Source: Next Edge Capital Corp.

12. AHL Diversified Programme - March 26, 1996 to October 31, 2006 - Source: Man Group Database

## FUND COMMENTARY

The month of May ended with global stock markets generally higher than where they had started, and the VIX Index (CBOE) of US equity volatility was lower than where it had begun. Intra-month this Index had in fact closed at 9.77, its lowest level since 1993, and yet this view of ongoing, benign low volatility in markets masks two more significant events, from which both markets and the Fund recovered well. Rallying bond markets added to returns made in stocks and credit, more than offsetting smaller commodity losses, to leave the Fund up +2.72% on the month.

The first of these events occurred on Wednesday, May 17th, when risk assets retreated sharply as commentators raised the prospect of a US Presidential impeachment, following further twists in the stories of Russian involvement in the US election campaign. The S&P suffered its biggest one-day drop in eight months. In an apparently unrelated story, the next day another potential presidential impeachment was flagged, this time in Brazil, caused a 9% fall in the country's Bovespa and the biggest sell-off in the real against the US dollar since 1999. Overall, however, equities were the strongest performing asset class, with Asian indices such as Kospi and Hang Seng standing out as winners for the Fund. The Trump news hit the Fund's long positions in the broadest US index most, the Russell 2000 Index (^RUT), but its effect was far from uniform. Indeed, the technology-heavy Nasdaq Index ended the month up 3.7% and resulted in a positive contribution to the Fund. Credit markets shared in the positive sentiment of equities, with CDS positions in European indices in particular performing strongly. Yields in most markets declined over the course of the month, leading to profits from the Fund's growing long bond positions. Italian bonds, in particular, continued their post French-election run of price increases to top the list of performers. On the debit side, receiver positions in Brazilian swaps were hit as short end yields widened on the news of corruption evidence implicating current President Michel Temer. A long position in the Brazilian real was by far the worst performer both in the FX sector and portfolio as a whole. Positions here and in the swap markets were quickly cut on the sharp increase in market volatility. Long positions in the euro, on the other hand, continued to benefit from the positive momentum following the French elections last month. Once again, commodities posted the largest losses in the portfolio, dominated this month by short positions in precious metals, where both silver and gold remain range-bound year-to-date. A more certain direction was seen in the agricultural markets, as soybeans, sugar and coffee prices all continued to fall to the benefit of short positioning in the Fund.



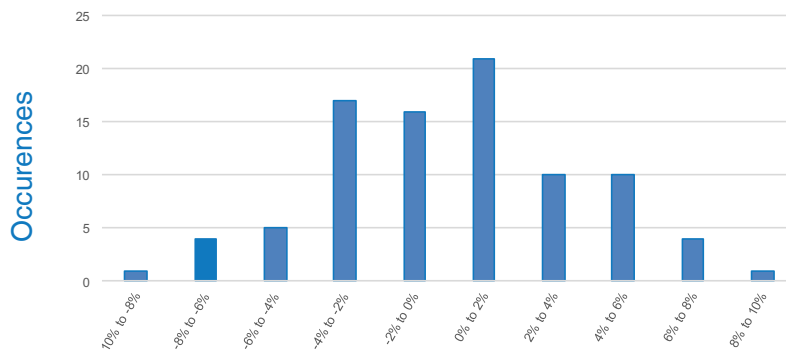
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CLASS	NAV	MONTHLY PERFORMANCE	FUNDSEV CODE
A	9.65	1.25%	NEC 111
B	9.64	1.23%	NEC 113
C	9.64	1.23%	NEC 115
F	10.68	1.38%	NEC 173
G	8.74	1.24%	NEC 177
H	10.89	1.48%	NEC 181
L	11.38	1.34%	NEC 311
M	11.97	1.48%	NEC 373
J	9.20	0.84%	NEC 208
K	9.50	0.95%	NEC 209

## DISTRIBUTION OF MONTHLY RETURNS

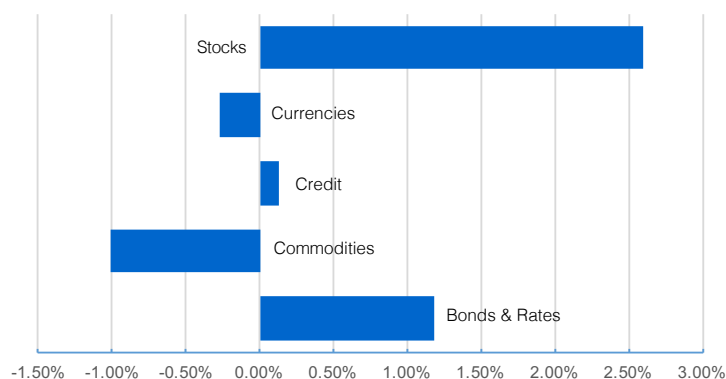
December 29<sup>th</sup>, 2009 to May 31<sup>st</sup>, 2017



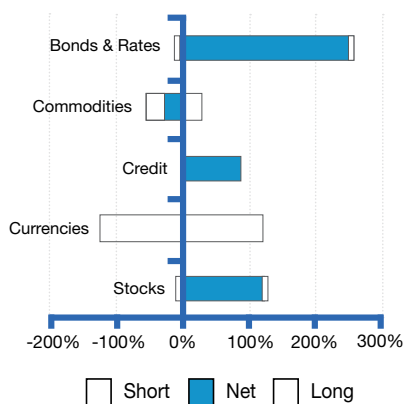
## KEY MARKET ATTRIBUTION<sup>9</sup>

HIGHEST PERFORMING	DIRECTION	ATTRIBUTION
Korean Kospi	Long	0.63%
Euro/US Dollar	Long	0.46%
Hang Seng	Long	0.35%
FTSE China A50 Index (Simex)	Long	0.27%
NASDAQ 100 Index	Long	0.24%
LOWEST PERFORMING	DIRECTION	ATTRIBUTION
Brazilian Real/US Dollar	Short	-0.84%
Cocoa	Short	-0.38%
Norwegian Krone/US Dollar	Short	-0.28%
Canadian Dollar/US Dollar	Short	-0.27%
Palladium	Long	-0.22%

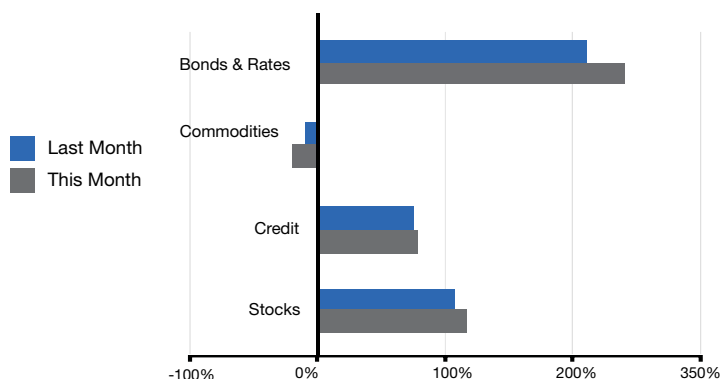
## SECTOR PERFORMANCE<sup>6</sup>



## SECTOR EXPOSURE<sup>7</sup>



## NET EXPOSURE MONTHLY COMPARISON



## 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 2017 are unaudited. Therefore, performance statistics containing 2017 figures shown in this material are subject to final confirmation. The historical annualized rates of return for the Next Edge AHL Fund Class A Units as of May 31<sup>st</sup>, 2017, are 1-yr -7.40%, 3-yr 2.53%, 5 yr -0.09%, 10-yr N/A, and CARR -0.48%. 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") using a predominantly trend-following trading program (the "AHL Diversified Programme"). The AHL Diversified Programme is implemented and managed by the Investment Manager.

The AHL Diversified Programme is also accessed by Man AHL Diversified plc. Man AHL Diversified plc is an open-ended investment company organized under the laws of Ireland and listed on the Irish Stock Exchange. While it is intended that the Underlying Assets will be managed with the same investment objectives and strategies used by the Investment Manager in managing the assets of Man AHL Diversified plc, their investments may not be identical and the returns of the Underlying Assets will differ from the returns of Man AHL Diversified plc. Differences in performance will be due to a number of factors including but not limited to fees, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, cash flows and asset size. The leverage, strategy and investments of Man AHL Diversified plc have varied over time and as a result performance in any future period will vary. The information about the performance of Man AHL Diversified plc is not, and should not be construed to be, an indication about the future performance of the Underlying Assets or the Fund. The charts depicting Performance Attribution, Sector Exposure, Key Market Attribution, Var and Net Exposure Monthly Comparison are derived from Man AHL Diversified plc.

2. World stocks: MSCI World Net Total Return Index

3. Managed Futures: Barclays BTOP50 Index. 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.

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 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 other reported performance for the month in question.

7. 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.

8. Exposure values represent the delta notional value of positions expressed as a percentage of fund capital. Where applicable, fixed income exposures are adjusted to a 10-year bond equivalent. Currency exposure within this table only reflects that of the Currency sector traded by AHL and does not include FX hedging or cash management. For credit default swaps, a short position represents buying protection and a long position represents selling protection.

9. 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. 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.

10. From January 1, 2010, the performance of Man AHL DP Fund – Class A Units (net of all fees and expenses.) Source: Man Group Database and Bloomberg.

11. From November 1, 2006, the performance of Man AHL Diversified (Canada) Fund – Class A Units (net of all fees and expenses with dividends reinvested.)

12. This information is on the underlying programme and not the Fund. AHL Diversified Programme represented by the performance of Man AHL Diversified plc from March 26, 1996 to October 31, 2006 (hedged from USD to CAD using the relevant 3 month risk free rate differentials and net of all fees and expenses.) The Investment Manager manages the assets of the AHL Portfolio in accordance with the AHL Diversified Programme. While it is intended that the Underlying Assets will be managed with the same investment objectives in managing the assets of AHL Diversified Programme, their investments may not be identical and the returns of the AHL Portfolio will differ from the returns of AHL Diversified Programme. Differences in performance will be due to a number of factors including but not limited to fees, expenses, taxes, currency hedging, foreign exchange, variations in trading programmes and allocations, variations in notional exposure, investments not being identical, cash flows and asset size. The leverage, strategy and investments of AHL Diversified Programme have varied over time and as a result performance in any future period will vary. AHL Diversified Programme is valued weekly, however, for comparative purposes, statistics have been calculated using the last weekly valuation for each month.

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.

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.

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.

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: [www.NextEdgeCapital.com](http://www.NextEdgeCapital.com).

\*Source: Man Group Database as of December 31<sup>st</sup>, 2016

\*\*Part Year



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