

An open-ended investment product that offers investors access to investments in predominantly secured, short-term loans through experienced credit advisors, with independent oversight.

FUND PERFORMANCE

	1 Month	YTD*	1 Year	3 Year Annualized	5 Year Annualized	Annualized Since Inception	Inception Date	NAV	Monthly Distribution
Class A1^{1,2}	0.63%	2.87%	5.53%	6.22%	6.86%	6.98%	June 2015	\$9.19	\$0.0576
Class F1^{1,2}	0.72%	3.34%	6.69%	7.38%	8.11%	8.29%	June 2015	\$9.93	\$0.0682
Class G1^{1,2}	0.65%	2.99%	5.84%	6.53%	7.25%	7.36%	June 2015	\$9.36	\$0.0610
Class H1^{1,2}	0.77%	3.58%	7.28%	7.97%	8.70%	8.81%	June 2015	\$10.12	\$0.0775
Class J1^{1,2}	0.73%	3.41%	6.86%	7.56%	8.29%	8.46%	October 2015	\$9.75	\$0.0161
Class K1^{1,2}	0.67%	3.09%	6.08%	6.77%	N/A	6.95%	March 2019	\$9.78	\$0.0657
Class L1^{1,2}	0.77%	3.58%	7.28%	7.84%	N/A	8.03%	March 2019	\$10.01	\$0.0767
Class A1^{1,2}	0.62%	2.86%	5.51%	6.19%	6.78%	6.82%	March 2017	\$9.46	\$0.0591
Class F1^{1,2}	0.72%	3.34%	6.69%	7.07%	7.67%	7.70%	March 2017	\$9.63	\$0.0692

FUND COMMENTARY

The Next Edge Private Debt Fund (the “Fund”) returned 0.72% (Class F1 Units) in May. Four new factoring transactions were closed in the month in addition to one specialty finance loan, all located in the US. Of the factoring transactions, two were in the energy sector focused on servicing, one in the transportation industry, and one in construction. The specialty finance loan for USD 4.8MM was backed by real estate and land.

In this month’s commentary, the focus is on a discussion surrounding risk management, rising interest rates, and our view on the impact on our companies. In addition, we have provided some clarity regarding some internal restructuring and name changes to the business units of our credit advisor to the Fund, Garrington Group of Companies Inc. (“Garrington”).

As mentioned in previous commentaries, with most

of our loan portfolio being floating rate in nature, there are benefits from such recent rate hikes in Canada and the US. However, what about the impact on our borrowers (or prospective borrowers)? With respect to current clients, these are monitored by the risk/portfolio monitoring team, which reports to the Chief Credit Officer. The people assigned to each file are responsible for the active monitoring of collateral and reviewing ongoing financials, in addition to a constant and open dialogue with various parties within these companies to ensure the file is operating as expected. This includes trying to identify any trouble spots potentially on the horizon. Alongside this, trend cards are established for each file regarding various metrics of each company that is important to that individual loan. A combination of real-time information on that company (receivables) along with the previously mentioned access to all other information and key people at our borrower clients, allows the team to be more proactive with

regards to any decisions that may need to be made instead of reactive, to protect our collateral.

With regards to rising interest rates and the cost of our capital to them, it is one of many items being monitored by the team and thus far is not having a significant impact on the loan portfolio as a whole. That said, each loan position is unique unto itself and is being monitored as such. When reviewing new loan opportunities, financing costs and the company's ability to carry these costs are standard inquiries as part of the discovery process.

Lastly, the Fund's credit advisor, Garrington Group of Companies Inc., with which we work very closely in managing the Fund, has been systematically going through a rebranding of its various direct businesses to be more reflective of the Garrington brand. Recently, the loan origination group, Blacksail Capital Partners was renamed Garrington Capital. In addition, this month LINE Financial will be renamed Garrington Financial Services. The Liquid Capital franchise business will remain unchanged. The result of the rebranding changes is represented below:

GARRINGTON

GROUP OF COMPANIES



GARRINGTON
CAPITAL



GARRINGTON
FINANCIAL SERVICES



**LIQUID
CAPITAL**
FINANCING SUCCESS

We welcome and appreciate any referrals, both from the investor side or for small to medium-sized businesses that may require lending capital in the \$1MM - \$30MM+ range. We do find that more and more financing referrals are coming from our investor clients and readership base, which we welcome

with open arms. In many cases, if we can't be of help ourselves, we can make some introductions to others that might be able to assist in the journey of meeting their financing needs. Please reach out with any questions, concerns, or if we can be of help in any way.

HISTORICAL PERFORMANCE¹ Class A1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ²
2022	0.62%	0.53%	0.40%	0.66%	0.63%	-	-	-	-	-	-	-	2.87%*
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
2022	0.71%	0.62%	0.49%	0.75%	0.72%	-	-	-	-	-	-	-	3.34%*
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%*

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 K Units and Class L Units charged from March 1, 2019 (trading start date). Returns for 2022 are unaudited. Therefore, performance statistics containing 2022 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 May 31, 2022 are 1 yr 5.53%, 3 yr 6.22%, 5 yr 6.86%, 10 yr N/A, and CARR 6.98%; for Class F1 Units are 1 yr 6.69%, 3 yr 7.38%, 5 yr 8.11%, 10 yr N/A, and CARR 8.29%; for Class G Units are 1 yr 5.84%, 3 yr 6.53%, 5 yr 7.25%, 10 yr N/A, and CARR 7.36%; for Class H Units are 1 yr 7.28%, 3 yr 7.97%, 5 yr 8.70%, 10 yr N/A, and CARR 8.81%; for Class J Units are 1 yr 6.86%, 3 yr 7.56%, 5 yr 8.29%, 10 yr N/A, and CARR 8.46%; for Class K Units are 1 yr 6.08%, 3 yr 6.77%, 5 yr N/A, 10 yr N/A, and CARR 6.95%; for Class L Units are 1 yr 7.28%, 3 yr 7.84%, 5 yr N/A, 10 yr N/A, and CARR 8.03%; for Class A Units are 1 yr 5.51%, 3 yr 6.19%, 5 yr 6.78%, 10 yr N/A, and CARR 6.82%; for Class F Units are 1 yr 6.69%, 3 yr 7.07%, 5 yr 7.67%, 10 yr N/A, and CARR 7.70%.

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.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

For Existing Investors and Investment Professional Use Only.



1 Toronto St, Suite 200, Toronto, ON M5C

CLIENT SERVICES: 1.844.656.2321

416.775.3600 Toll Free: 1.877.860.1080

info@nextedgecapital.com

Follow us:



nextedgecapital.com