

Investing in companies of the future: A unique, well-defined process of investing in biotechnology and life sciences companies.

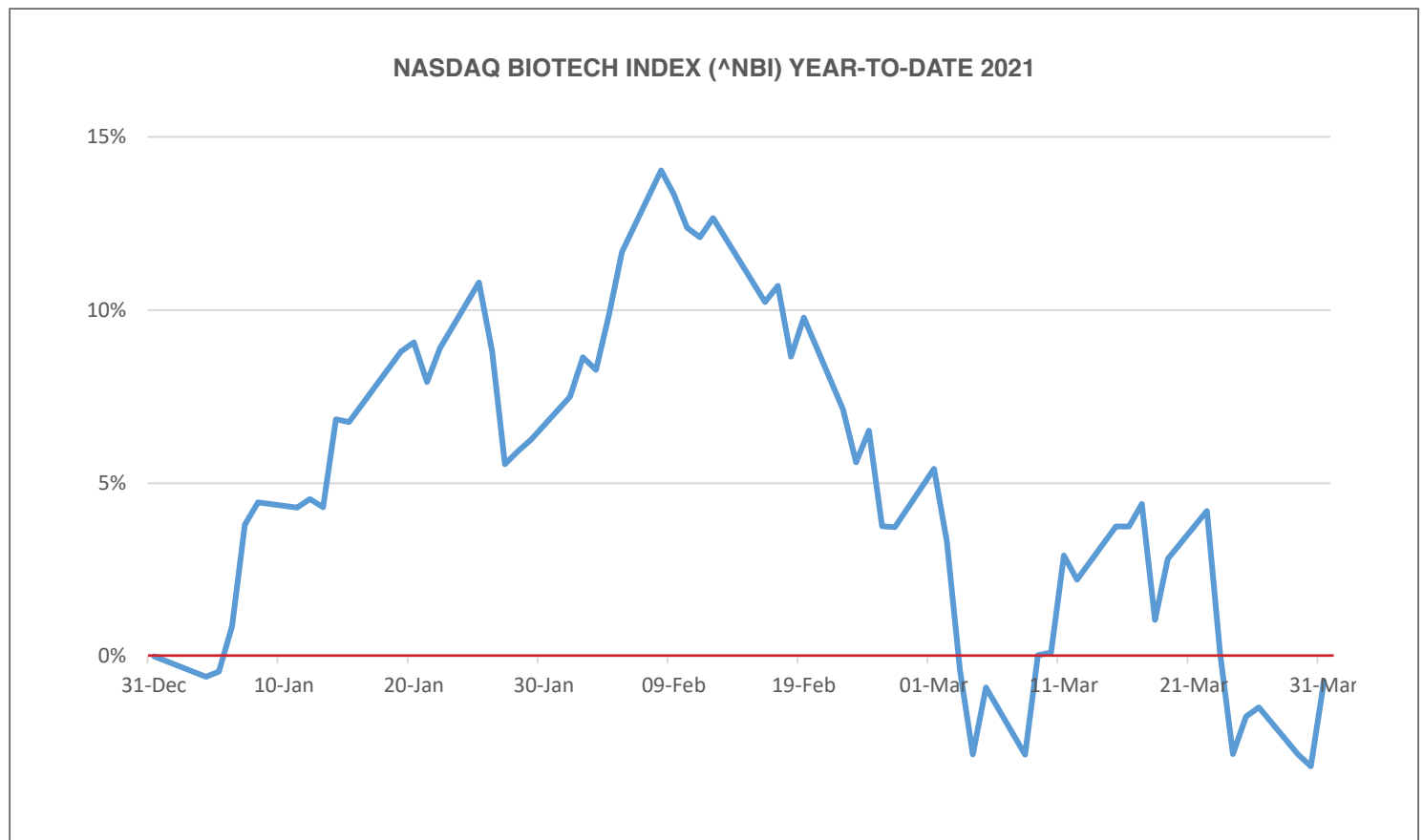
## FUND COMMENTARY

Strength in economically sensitive sectors of the market benefitting from vaccine-facilitated reopening continued to lead the market, while long-term growth sectors such as biotech continued to correct. In Q3 2020, the Nasdaq Biotech Index (^NBI) experienced a typical -15% to -20% correction in its new bull market before resuming its advance in Q4 2020 and into Q1 2021. In mid-February, the sector commenced another such pullback of a similar magnitude. The strength in microcaps early in Q1 2021 enabled us to execute on a targeted rotation into long-term quality growth that is again available at compelling valuations that this latest correction has made possible.

The headlines behind this healthcare correction include the expected recurring drumbeat of the

socialist forces behind the governing party on drug pricing, significant secondary financing activity that increased supply in the market, and an unpredictable FDA that has made decisions recently that have confounded and rattled investors.

As a result, the sector correction reflected in a decline of -4.29% in the Nasdaq Biotech Index (^NBI) in March, the Next Edge Biotech and Life Sciences Opportunities Fund (the “Fund”) Class A Units pulled back by -4.14% and Class F Units by -4.05%. Nevertheless, even though biotech indices, such as the NBI, are negative year-to-date, with a return of -0.55%, the Fund’s Class A Units have advanced +17.34% while the Class F Units have appreciated by +17.62%.



Entering the second quarter, a few of the Fund's Portfolio companies will have clinical and regulatory catalysts with the potential to create value by de-risking the trajectory of their commercialization prospects. Furthermore, being focussed on the long game, the Fund's core Portfolio holdings are expected to experience substantial growth over the next few years which the market will inevitably reflect at a time of its choosing. Until that time, outstanding, overlooked growth companies are available at excellent valuations.

## BNN BLOOMBERG APPEARANCE DISCUSSING COVID-19 INVESTMENTS

On March 30th, Eden Rahim, the Fund's Portfolio Manager, was delighted to be the guest of Greg Bonnell to discuss Astra-Zeneca's woes, the silver lining, and a few of the COVID focused investments in the Fund in a 7.30 minute segment titled [Biotech portfolio manager sees opportunity in BioNTech, Microbix, and Fulgent](#).



## BIOTECH & LIFE SCIENCES EDUCATIONAL SERIES: THE COMING CRISIS, ALZHEIMER'S

In episode two, we address the crisis in Alzheimer's Disease (AD) that has afflicted 6 million in North America and affects each of us either directly or indirectly. We focus on the disease pathology, why every disease-modifying therapy in the past has failed, what we have learned from them, and the outlook for future breakthroughs currently in development. We hope that you find the 45-minute presentation illuminating.

The Fund is focussed on supporting companies addressing significant unmet medical needs such as AD, as well as those addressing other Central Nervous System (CNS) diseases such as Parkinson's disease, ALS, multiple sclerosis, epilepsy, schizophrenia, Huntington's disease, and others. The Fund is positioned in 10 companies targeting AD through various mechanisms of action.

In prior cycles, we were early investors in the companies that produced the breakthrough biotech

therapies in HIV, MS, RH and blood cancers, to name a few. Now we have turned our attention to the next frontier of pressing medical need. Given the risk and complexity of handicapping success in this clinical focus, the only prudent investment approach is not a DIY, but rather through holding a diversified portfolio. This will diffuse the impact of the inevitable failures while benefitting from the astronomical asymmetric return of the few successes that are able to modify the trajectory of this as yet untreatable disease.



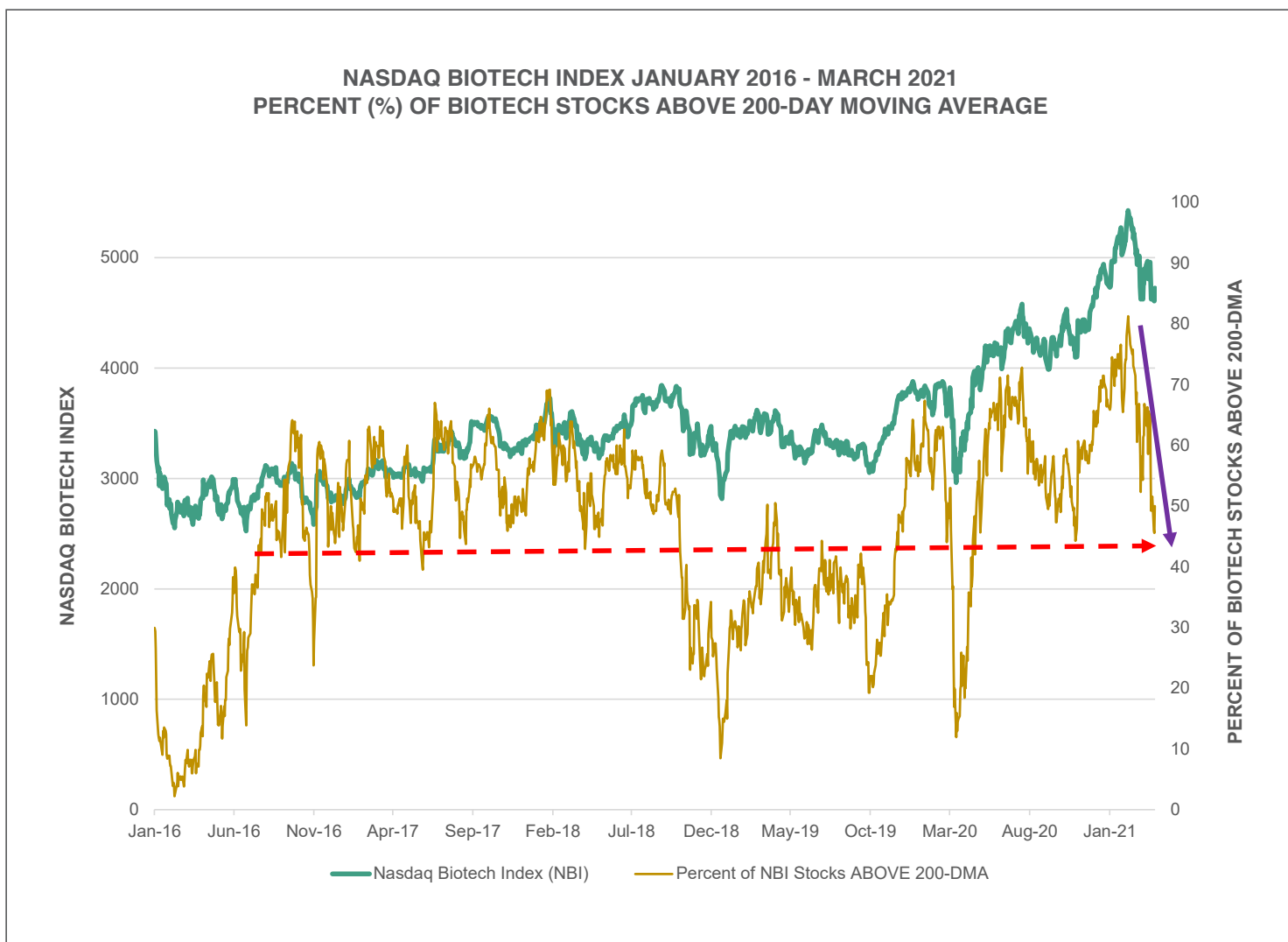
## BIOTECH HAS NOW OSCILLATED FROM OVERBOUGHT TO OVERSOLD

Our trustworthy indicator that measures the percent of +230 companies in the Nasdaq Biotech Index (^NBI) that are trading above their 200-day moving average has corrected sharply from 80% to 45%. Generally, at the start of a new bull market, such as 2003 or 2010, the reading will cycle up to +80%, then oscillate

between there and 40% on the downside during the multiyear bull market that follows.

Notice that during the multiyear bear market range between mid-2015 to 2020, it never achieved that 80% threshold reading characteristic of new bull markets.

It instead made multiple trips below 20% readings. The two things to be concluded here is that the market has tipped its hat that something has changed from the last five years. And if it has, then the parameters of the readings we focus on must also change from the past five years.



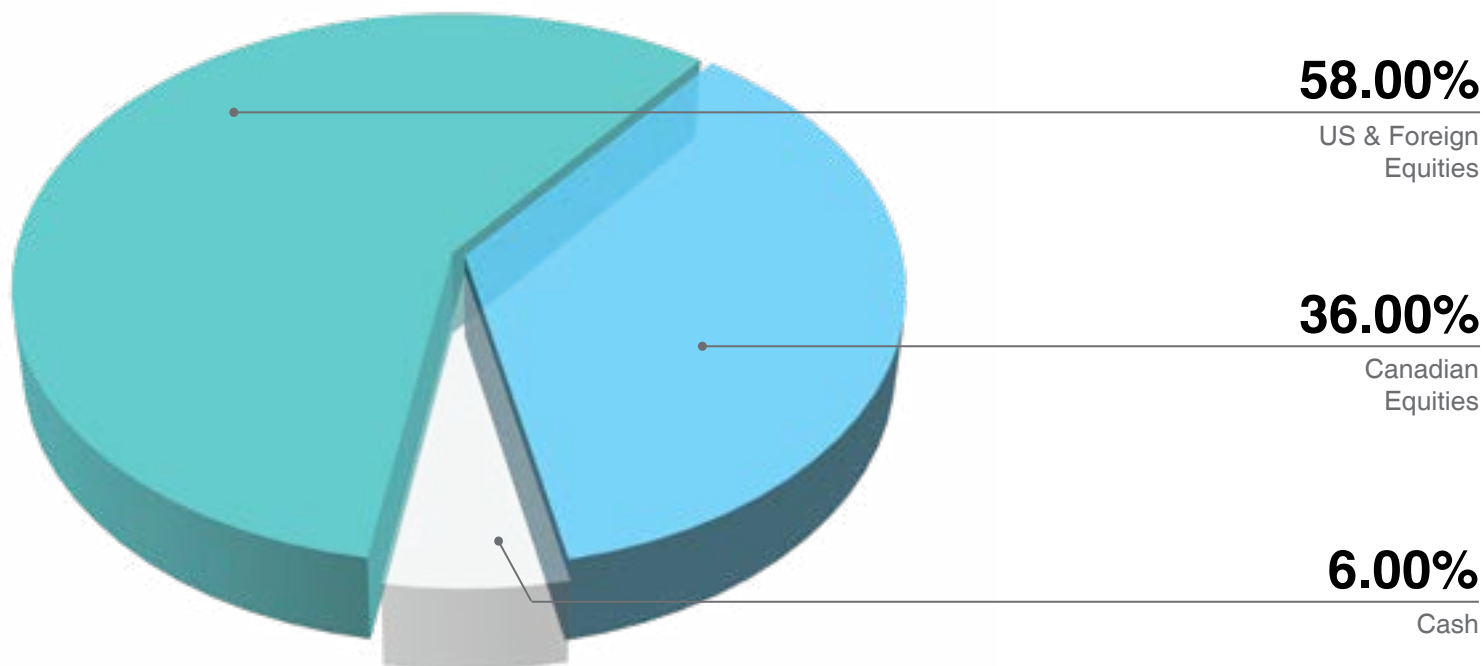
Source: Bloomberg Data; Concept: Next Edge Capital Corp. as of March 31st, 2021.

## DISCUSSION OF NEXT EDGE BIOTECH AND LIFE SCIENCE OPPORTUNITY FUND

After substantial repositioning of the Fund away from Canadian microcap exposure toward US Long-term growth investments in the opening months of 2021, March's positioning was stable. Canadian holdings increased by 1% due to the exercise of warrant positions in Cardiol Therapeutics (CRDL.to), ICO Therapeutics (ICO.v), and SQI Diagnostics (SQD.v). The weight of US Holdings declined by 1% to 58%. Cash holdings were unchanged at 6%.



## COMPOSITION OF FUND HOLDINGS AS OF MARCH 31, 2021



Source: RBC Investor and Treasury Services Inc., Next Edge Capital Corp. as of March 31, 2021.

## FUND PERFORMANCE

The Fund had a trading start date of December 21, 2020. As such, only monthly performance returns will be shown for the first year.

### HISTORICAL PERFORMANCE<sup>1</sup> Class A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	21.23%	0.97%	-4.14%	-	-	-	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	-	-	-	-	-	4.39%*	N/A

### HISTORICAL PERFORMANCE<sup>1</sup> Class F

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	20.63%	1.62%	-4.05%	-	-	-	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	-	-	-	-	-	4.44%*	N/A

## IMPORTANT NOTES

1. Next Edge Biotech and Life Sciences Opportunities Fund returns are net of all fees and expenses associated with Class A Units and Class F Units charged from December 21, 2020. Returns for 2020 and 2021 are unaudited. Therefore, performance statistics containing 2020 and 2021 figures shown in this material are subject to final confirmation. The historical annualized rates of return for the Next Edge Biotech and Life Sciences Opportunities Fund Class A Units as of March 31, 2021 are 1 yr N/A, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR N/A; for Class F Units are 1 yr N/A, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR N/A.

2. Part Year

\* Part Month start date December 21, 2020 to December 31, 2020.

The "Next Edge Biotech and Life Sciences Opportunities Fund" or "Fund" means the "Next Edge Biotech and Life Sciences Opportunities Fund". Capitalized terms not defined in this report are defined as set forth in the prospectus of the Fund (the "Prospectus"). This communication is not, and under no circumstances is to be construed as, an invitation to make an investment in the Fund nor does it constitute a public offering to sell the Fund or any other products described herein. Applications for the Fund will only be considered on the terms of the Prospectus. Each purchaser of the units (the "Units") may have statutory or contractual rights of action under certain circumstances as disclosed in the Prospectus. Please review the provisions of the applicable securities legislation for particulars of these rights.

Potential investors should note that alternative investments can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of trading performance and past or projected performance is not indicative of future results. Investors should review the Prospectus in its entirety for a complete description of the Fund, its risks, and consult their registered dealers before making an investment.

Any descriptions or information involving investment process or strategies is provided for illustration purposes only, may not be fully indicative of any present or future investments, may be changed at the discretion of the Portfolio Manager and are not intended to reflect performance. The following does not purport to be a complete summary of all of the risks associated with an investment in the Fund. Please see the Fund's Prospectus for a complete listing and description of the risks associated with an investment in the Fund. The Fund is generally exposed to the following risks: Biotechnology Industry Risk; Borrowing Risk; Counterparty Risk; Credit Risk; Cybersecurity Risk; Derivatives Risk; Equity Securities Risk; ETF Risk; Foreign Currency Risk; Foreign Securities Risk; Interest Rate Risk; Legislation and Litigation Risk; Leverage Risk; Liquidity Risk; Multiple Class Risk; Options Risk; Price Volatility Risk; Repurchase and Reverse Repurchase Transactions and Securities Lending Risk; Short Selling Risk; Stock Market Risk; Substantial Securityholder Risk and Tax Risk.

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.

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 prospectus for more information on the Fund as any information in this Report is qualified in its entirety by the disclosure therein.

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### PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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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@nextedgecapital.com

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