

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

FUND COMMENTARY

The broad market bear due to rising rates to quell inflation has continued for its 6th month. Over that period, both the small cap Russell 2000 Index and the Nasdaq Composite Index have declined over 30% off their 2021 peaks. The near historic bear market in biotech has been ongoing for 15 months and has seen the S&P Biotech Index (^SPSIBI) decline -65% of its 2021 peak. As we have pointed out in prior months, this has resulted in multi-decade extremes in valuation metrics in biotech that argue for a very favourable risk/reward set up emerging.

Among these extremes are the following:

a) Percent of biotech companies trading below net cash is around 25% of companies. That reflects the sort of despairing sentiment from which positive surprises emerge for the contrarian investor. As a result,

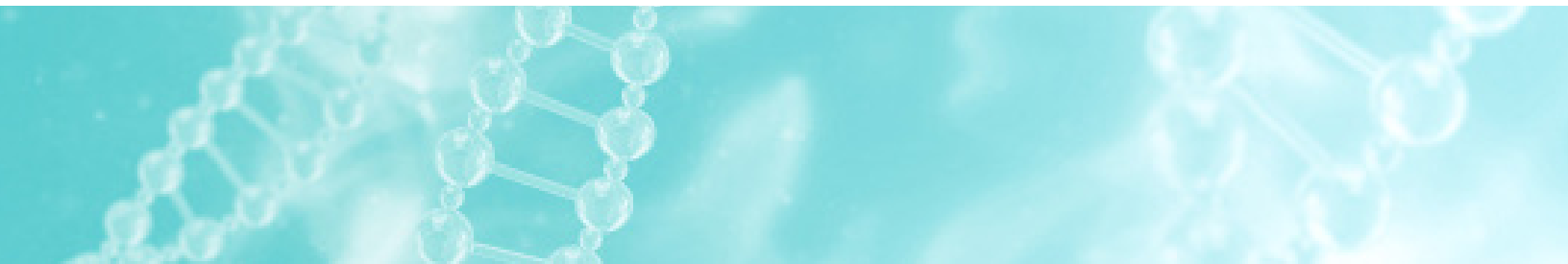
b) Over 160 healthcare companies will be dropped from the upcoming annual Russell 3000 June rebalancing. That is +60% of all companies being removed. Do you recall when the same occurred to Energy companies two years ago? Which has been the best performing sector since then? Yet another valuation extreme is the

c) Relative P-E of profitable biotech companies relative to the S&P has been mired at 50%. Ordinarily, the fast-growing innovative biotech sector trade at a premium multiple to the market, not an extreme discount.

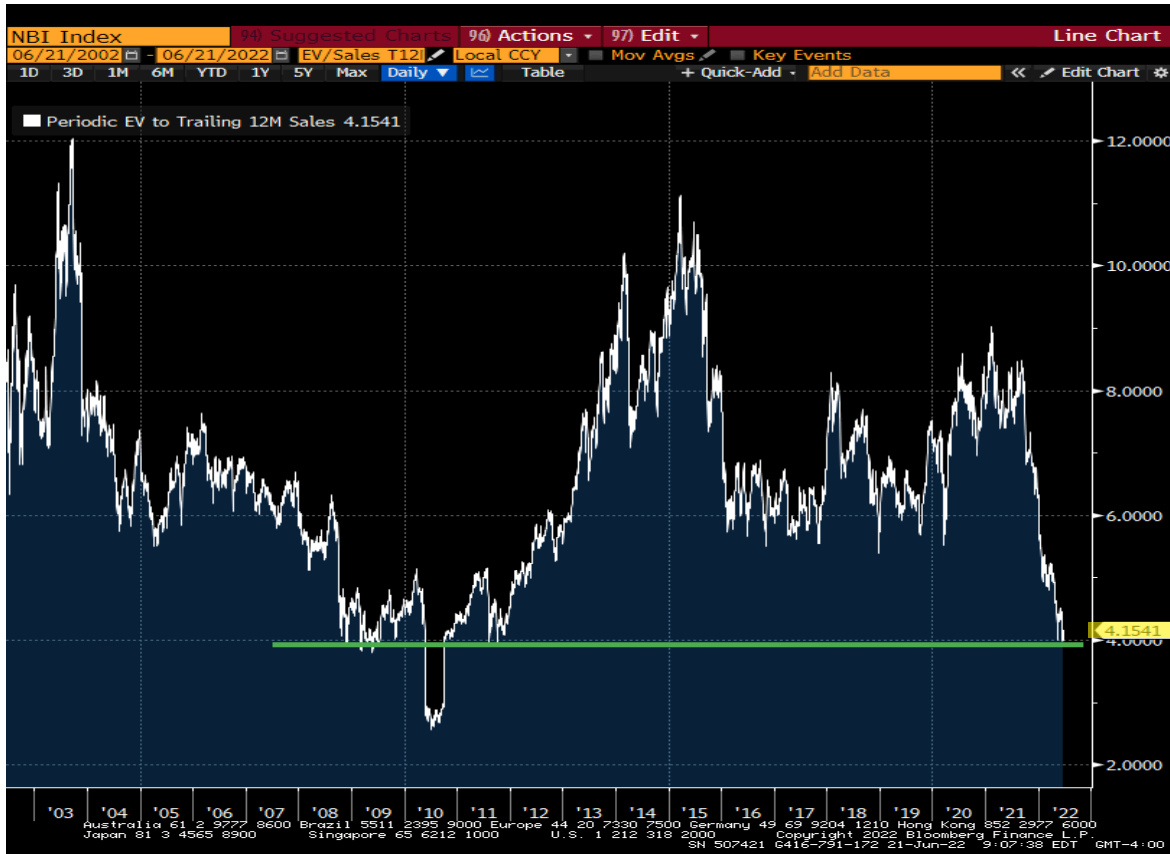
d) The S&P Biotech Index has declined the most below its 200-day moving average in 20 years. Yes, worse than the GFC and the March 2020 market crash.

e) The Percent of Nasdaq Biotech companies above their 200-day moving average has been mired below 10% or less for 30 consecutive trading days. That occurred only twice before: 1) 20 years ago in July/August 2002, at the bottom of the major Nasdaq bear market, at the nadir of a 70% decline in biotech, out of which a 5-year bull market emerged; and 2) 6 years ago in February/ March 2016, after a 6-month -55% bear market. In each instant, 3-month, 6-month, 9-month and 1-year forward returns were all positive.

To this auspicious list of biotech valuation extremes, we add the **Enterprise Value (EV)-to-Trailing 12-month Revenue (Rev) ratio**. The measure has returned to the undervaluation that prevailed at the depth of the Global Financial Crisis (GFC) 13 years ago. From that level, a 6-year +500% bull market emerged, during which several new biotech growth companies blossomed. Yes, the same sort of companies your fund is focused on owning. Remarkably, this reading has declined over 60% from +11X in 2015 down to 4X presently. As a reminder, over the long term, biotech is among the fastest growing, non-economically sensitive sectors in this market.



BIOTECH ENTERPRISE VALUE TO REVENUE RATIO BACK TO LOWS OF GFC 13 YEARS AGO



Data: Bloomberg, Concept: Next Edge Capital Corp. from June 21, 2021 to June 21, 2022.

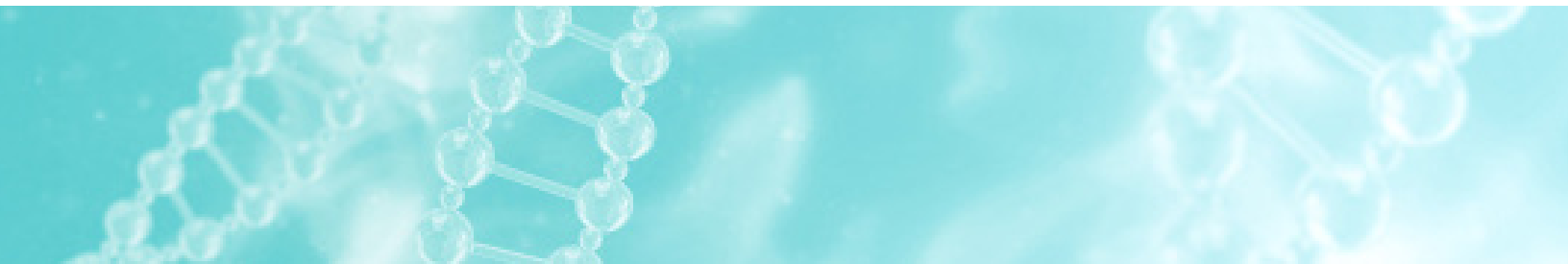
For May 2022, the Next Edge Biotech and Life Sciences Opportunities Fund (the “Fund”) Class A Units declined by -5.97% and the Fund’s Class F Units by -5.84% vs -6.75% for the S&P Biotech Index (^SPSIBI). Year-to-date, the Fund’s Class A Units have declined by -31.61% and the Fund’s Class F Units by -31.27%

versus -38.48% for the S&P Biotech index. The Fund performed well on a relative basis due to the strong performance in a few of the Fund’s largest midcap holdings, plus the contribution of Index Put Spread hedges and written Call options against a few of the Fund’s volatile holdings.

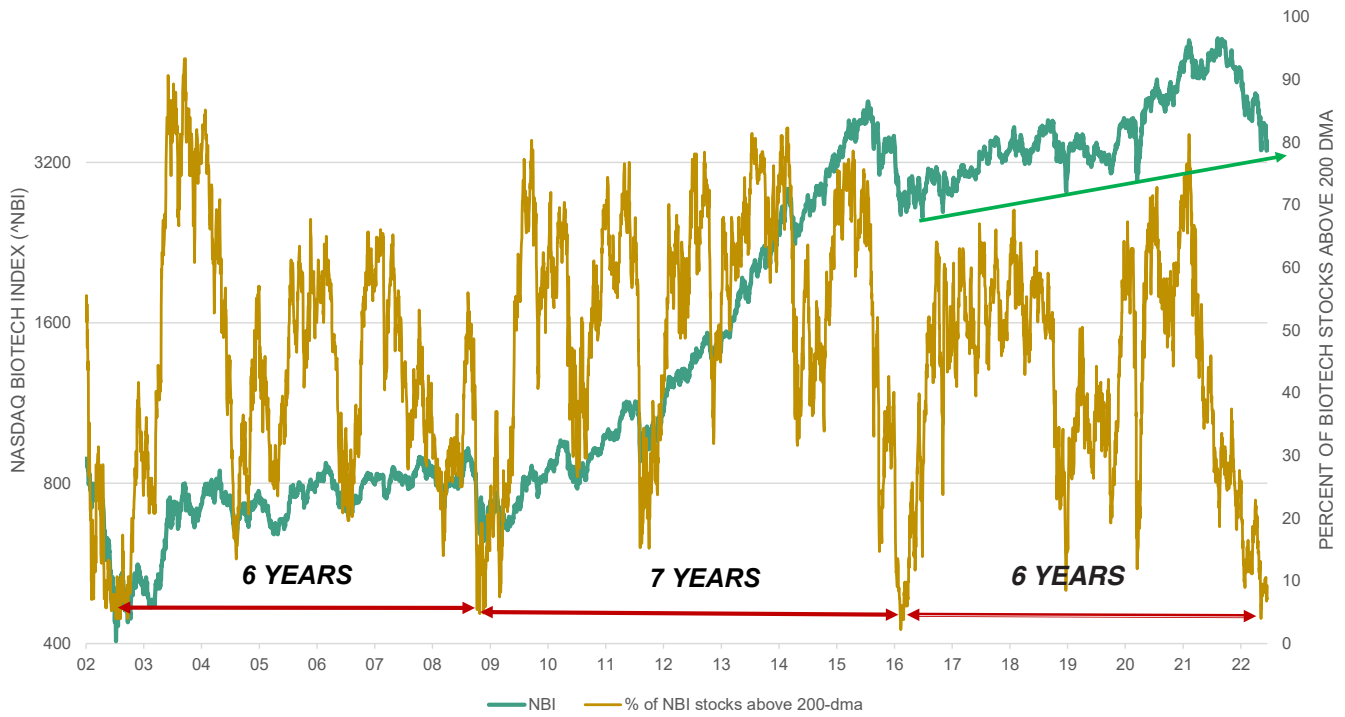
YET ANOTHER EXTREME THAT HAS LED TO UNANIMOUSLY POSITIVE RETURNS

The percent of the +370 companies in the Nasdaq Biotech Index trading above their 200-day moving average, or the definition of a bull market, has been mired at 10% or less for 30 consecutive trading days. That duration has been eclipsed only two prior periods: a) 20 years ago in

July/August 2002 at the bottom of a -70% 28-month bear market; and b) 6 years ago in February/ March 2016, at the bottom of a -55%, 6-month bear market. The current reading has occurred after a 16-month -65% decline. Perhaps, the past will be prologue.



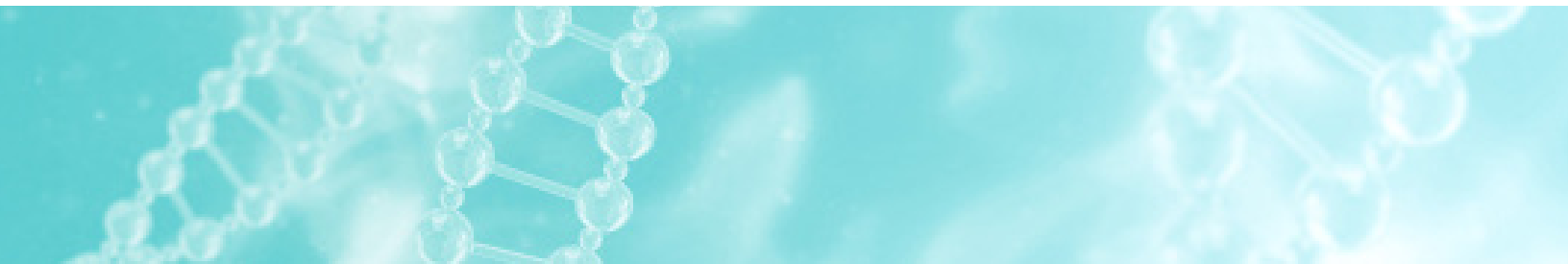
NASDAQ BIOTECH INDEX CYCLES 2002 - 2022
 PERCENT OF BIOTECH STOCKS ABOVE THEIR 200 DAY MOVING AVERAGE



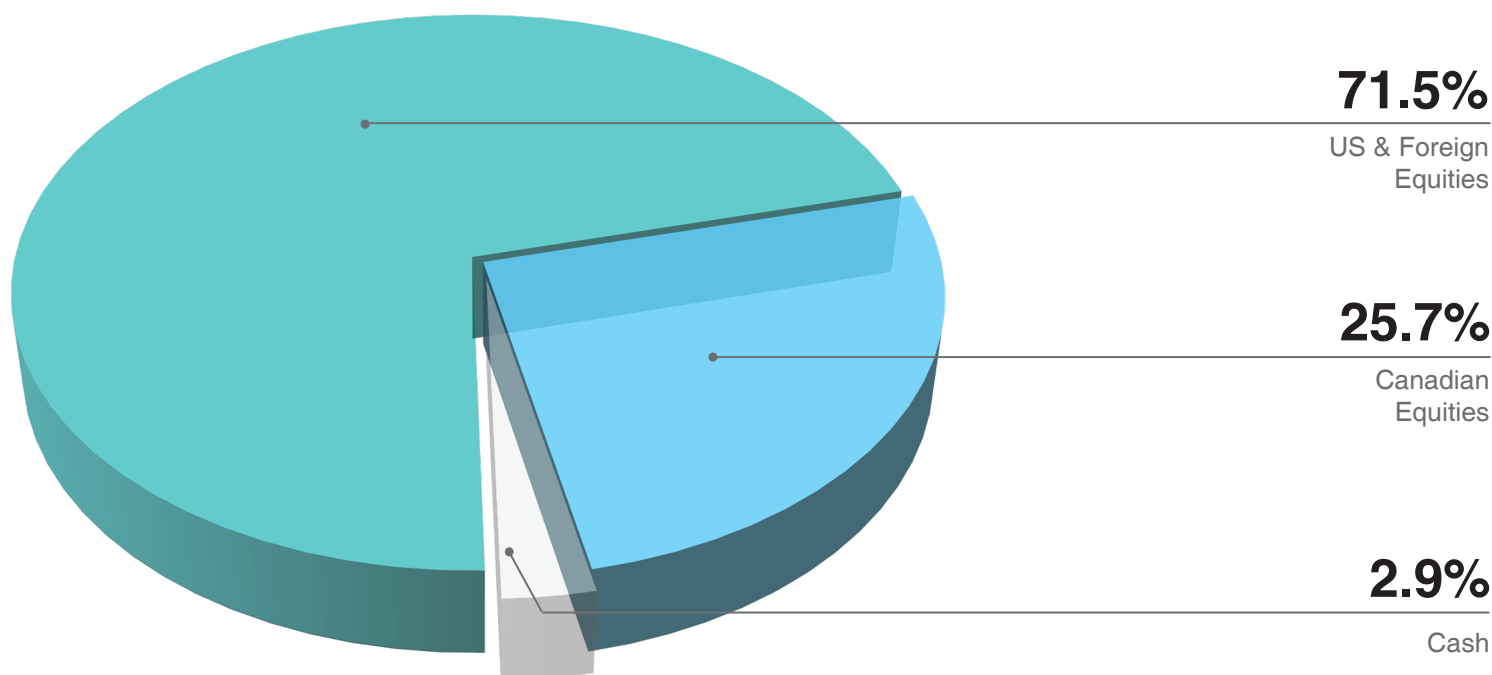
Source: Bloomberg Data, Concept: Next Edge Capital Corp. as of June 17, 2022

COMPOSITION OF NEXT EDGE BIOTECH AND LIFE SCIENCE OPPORTUNITIES FUND

The capitulative selling in biotech during May, that registered historic extreme readings in several indicators already discussed earlier, prompted the drawing down of cash reserves to take advantage of uncommon values. As such, cash declined by 40% from 4.8% down to 2.9%. When profitable downside hedges are unwound, cash reserves will rebound. The weighting of US holdings declined slightly from 71.7% to 71.5%, while Canadian holdings rebounded to 25.7%, up from 23.5%.



COMPOSITION OF FUND HOLDINGS AS OF MAY 31, 2022



Source: RBC Investor and Treasury Services Inc., Next Edge Capital Corp.

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 PERFORMANCE¹ Class A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-10.43%	-1.52%	-2.72%	-15.24%	-5.97%	-	-	-	-	-	-	-	-31.61%²
2021	21.23%	0.97%	-4.14%	-4.14%	-6.83%	4.63%	-8.50%	5.77%	-2.86%	-4.37%	-8.13%	-5.93%	-14.80%
2020	-	-	-	-	-	-	-	-	-	-	-	4.39%*	4.39%*

HISTORICAL PERFORMANCE¹ Class F

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022	-10.35%	-1.44%	-2.63%	-15.17%	-5.84%	-	-	-	-	-	-	-	-31.27%²
2021	20.63%	1.62%	-4.05%	-4.05%	-6.74%	4.73%	-8.42%	5.87%	-2.78%	-4.28%	-8.04%	-5.85%	-13.89%
2020	-	-	-	-	-	-	-	-	-	-	-	4.44%*	4.44%*

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 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 Biotech and Life Sciences Opportunities Fund Class A Units as of May 31, 2022 are 1 yr -44.40%, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR -28.21%; for Class F Units are 1 yr -43.76%, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR -27.44%.

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.

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