



# Next Edge Private Debt Fund

(New/Continuing Class Units)

Profile as of March 31, 2025

Access to predominantly secured, short-term loans in an all - weather structure

## ABOUT THE FUND

The Next Edge Private Debt Fund provides investors with an attractive yielding fixed-income alternative via exposure to a diversified pool of privately negotiated collateral-backed loans to businesses throughout North America. The loans and financing facilities are predominantly senior secured, 1st lien loans that fit within one of our primary financing solutions such as Factoring (receivables-based financing), Asset-Based Lending, Lender Finance, and Specialty Finance. The Fund's primary Credit Advisor is the Garrington Group of Companies ("Garrington"). Garrington has a significant presence in the North American small and medium-sized enterprise ("SME") lending business with roots dating back to 1999 and has deployed over \$5.0 Billion<sup>[a]</sup> of transactions historically.

## THE OPPORTUNITY

The Fund, via diversified exposure to privately negotiated and collateral-backed loans, has provided historically and aims to continue to achieve, consistent, attractive returns with a capital preservation focus while providing the potential for low volatility and low levels of correlation to most traditional asset classes. We believe the private lending market is very fragmented and offers a significant opportunity in the sub \$30MM loan size bracket, an area that tends to be under-served, regional in nature, and is dominated by competitors that offer fewer financing solutions than we can provide. As such, we continue to believe this is one of the best areas to invest in for superior risk-adjusted returns, when managed properly.

## WHY INVEST IN THE NEXT EDGE PRIVATE DEBT FUND?

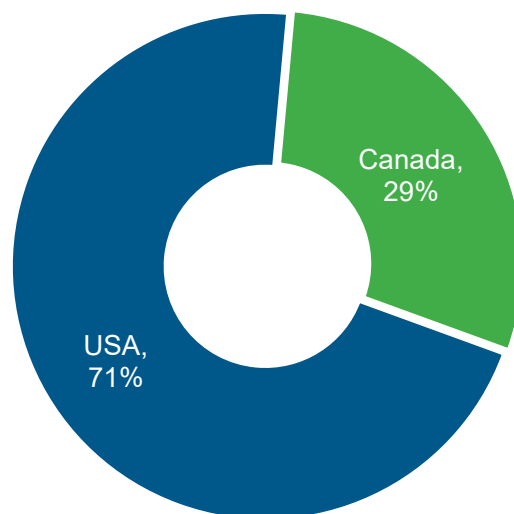
- ✓ Strong historical returns and cash flow characteristics relative to other fixed-income vehicles.
- ✓ Focus on capital preservation.
- ✓ Low historical correlation to traditional fixed income and equity markets.
- ✓ Low historical volatility relative to traditional fixed-income investments.
- ✓ Historical consistency of returns.
- ✓ Access to a broadly diversified pool of shorter dated privately negotiated loans.

## PORTFOLIO BREAKDOWN (AS OF MARCH 31, 2025)

### PORTFOLIO BREAKDOWN BY TYPE <sup>[b]</sup>

| Sub-type           | Alloc % |
|--------------------|---------|
| Commercial Finance | 22.41%  |
| Lender Finance     | 24.75%  |
| Factoring          | 26.60%  |
| ABL                | 26.25%  |
| Total              | 100.00% |

### BREAKDOWN BY COUNTRY <sup>[c]</sup>



\$ WEIGHTED TERM TO MATURITY IN DAYS <sup>[d]</sup>

164

\$ WEIGHTED LTV RATIO <sup>[e]</sup>

60.40%

TOTAL NUMBER OF LOANS <sup>[f]</sup>

109

FUND DETAILS

|   |  |  |   |
|---|--|--|---|
| Manager   | Next Edge Capital Corp.  | Performance Fee                              | 20% above 6% hurdle rate (with a catch-up)                            |
| Fund Type   | Mutual Fund Trust  | Valuation Pricing                            | Monthly   |
| Launch Date                                       | October 1, 2024  | Distributions                                | Monthly, at a variable rate tied to each month’s realized gains/yield |
| Registered Plan Status                            | Eligible   | Auditor                                      | Deloitte LLP  |
| Min. Initial Investment                           | \$10,000; for Accredited Investors only  | Registrar, Administrator and Valuation Agent | RBC Investor Services Trust   |
| Min. Subsequent Investment                        | \$5,000; for Accredited Investors only   | Custodian                                    | RBC Investor Services Trust   |
| Redemptions                                       | Monthly, with 90 days notice   | Fund Codes (Final)                           | Class A2 - NEC 551<br>Class F2 - NEC 552                              |
| Effective Management Fee (Includes Servicing Fee) | Class A2 1.50% (1.00% servicing fee payable out of the MGMT fee)<br>Class F2 0.50% | FundSERV Codes (Interim - For Purchase)      | Class A2 - NEC 541<br>Class F2 - NEC 542                              |

HISTORICAL PERFORMANCE<sup>1</sup>

Only monthly returns to be provided for the first year.

Class A2

|      | JAN   | FEB   | MAR   | APR | MAY | JUN | JUL | AUG | SEP | OCT   | NOV   | DEC   | YTD <sup>2</sup> |
|------|-------|-------|-------|-----|-----|-----|-----|-----|-----|-------|-------|-------|------------------|
| 2025 | 0.88% | 0.70% | 0.58% | -   | -   | -   | -   | -   | -   | -     | -     | -     | N/A              |
| 2024 | -     | -     | -     | -   | -   | -   | -   | -   | -   | 0.86% | 0.78% | 0.83% | N/A              |

Class F2

|      | JAN   | FEB   | MAR   | APR | MAY | JUN | JUL | AUG | SEP | OCT   | NOV   | DEC   | YTD <sup>2</sup> |
|------|-------|-------|-------|-----|-----|-----|-----|-----|-----|-------|-------|-------|------------------|
| 2025 | 0.98% | 0.79% | 0.68% | -   | -   | -   | -   | -   | -   | -     | -     | -     | N/A              |
| 2024 | -     | -     | -     | -   | -   | -   | -   | -   | -   | 0.96% | 0.87% | 0.92% | N/A              |

IMPORTANT NOTES

1. The Next Edge Private Debt Fund (the ‘Fund’) returns are net of all fees and expenses associated with Class A2 Units and Class F2 Units charged from October 1, 2024. Returns for 2024 and 2025 are unaudited. Therefore, performance statistics containing 2024 and 2025 figures shown in this material are subject to final confirmation. The historical annualized rates of return for the Next Edge Private Debt Fund Class A2 Units as of March 31, 2025 are 1 yr N/A, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR N/A; for Class F2 Units are 1 yr N/A, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR N/A.

2 Distribution - adjusted return

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 alternative investing programs.

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. 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.

<sup>[a]</sup> Based in part upon working capital fundings provided by the predecessor firm to the Garrington Group of Companies Inc., Liquid Capital Corp., which was founded in 1999.

<sup>[b]</sup> Categorization of loans are internal, potentially subject, and subject to change. Type refers to the facility's Product Type, except for facilities in the commercial (SME) Finance sector, for which the facility Product Type has been replaced with a look through to the underlying collateral class. Underlying collateral class for facilities in the Commercial (SME) Finance sector may fall into the categories of Equipment, Real Estate, or ABL. The Factoring Product Type is inclusive of PO Financing.

<sup>[c]</sup> Based on geographic location of the head office of borrower/counterparty.

<sup>[d]</sup> Based on the legal maturity date of the loan. Loans are subject to being renewed and/or extended. Factoring facilities are typically by way of ongoing purchase and sale agreements for the factoring of receivables and may not have an explicit maturity date, but an estimated average period of 90 days has been used for the full collection of factored receivables and maturity time of factoring facilities.

<sup>[e]</sup> Calculated as loan balance / estimated collateral. Collateral figures and values are unaudited and may encompass a range, depending on valuation methodologies, including Use Value, Orderly Liquidation and Forced Liquidation valuations. Collateral calculations are typically limited to the assets held directly by the borrower or for which the Fund is directly entitled to. LTV ratios are set to a minimum of only 33% on a loan-by-loan basis for conservative representation (even where LTV ratios could actually be lower on certain loan facilities).

<sup>[f]</sup> Loans are distinguished by terms and instrument, but a single counterparty may be party to multiple loans/positions. These totals do not include loans made by our commercial SME finance borrowers which would bring the aggregate total (both

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

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18 King Street East, Suite 902, Toronto, ON M5C 1C4

CLIENT SERVICES: 1.844.656.2321

416.775.3600 Toll Free: 1.877.860.1080

info@nextedgecapital.com

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