

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

FUND COMMENTARY

The Next Edge Private Debt Fund (the “Fund”) Class F2 Units returned 0.74% in January. Two new financings were completed during the month, both factoring transactions to companies located in Indiana and North Dakota. This month’s commentary discusses the habits, the repetition, and the reviews that happen behind the scenes, and out of the spotlight on what delivers returns, courtesy of our credit partners at Garrington Capital.

Performance Reflects Preparation

With the Winter Olympics recently completed in Milano-Cortina, many of us have been following the events between meetings and calls. It is a global reminder that while performance happens in the spotlight, the foundation for that performance is built long before.

What we see on race day is the visible outcome. What we do not see are the repetitions, reviews, adjustments, and discipline that precede it.

That idea applies well beyond sport.

In private credit, outcomes are not created at the moment of stress or volatility. They are shaped earlier by how opportunities are screened, how collateral is evaluated, how structures are set, and how risks are monitored over time.

None of this is dramatic. It is procedural. And that is precisely why it matters.

Canadian hockey legend Hayley Wickenheiser, one of the most decorated Olympic athletes in history and a four-time Olympic gold medalist, once said:



Excellence is never an accident. It is always the result of high intention, sincere effort, and intelligent execution; it represents the wise choice of many alternatives.”

It is a practical observation that speaks directly to how decisions are made under pressure. In environments where margins are thin and conditions shift, consistency tends to follow preparation.

In private markets, especially in senior secured lending, that preparation shows up in quiet places:

- validating information rather than assuming it
- confirming collateral rather than accepting summaries
- relying on independent valuation when appropriate
- maintaining structure rather than stretching for incremental return

These steps rarely draw attention. But they tend to shape outcomes more than any single headline.

Watching the Olympic Games is not a metaphor for investing. It is simply a reminder that performance reflects habits. In private credit, those habits are embedded in underwriting, documentation, verification, and oversight.

Over time, capital tends to reward managers who treat preparation as part of the investment itself.

And in markets where information is private, and risk is not always visible at first glance, that preparation is often the difference between volatility and durability.



PORTFOLIO BREAKDOWN AS OF DECEMBER 31, 2025

Portfolio Breakdown by Category^[a]

Sub-type	Allocation, %
Commercial Finance	17.90%
Lender Finance	25.30%
Factoring	25.80%
ABL	31.00%
Total	100.00%

\$ WEIGHTED TERM TO MATURITY IN DAYS^[c]

217

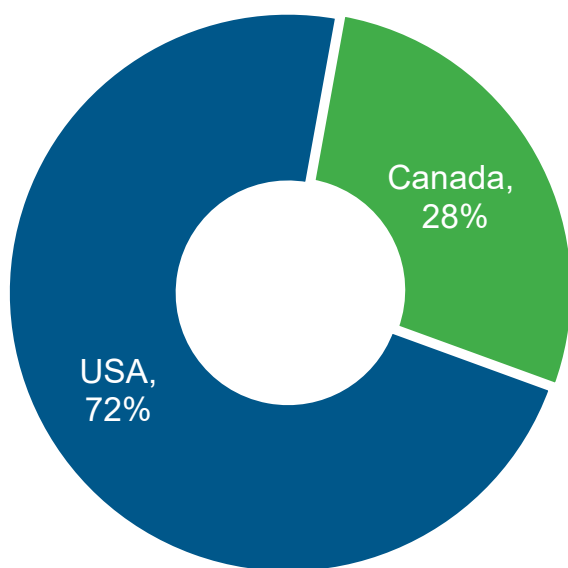
\$ WEIGHTED LTV RATIO ^[d]

68%

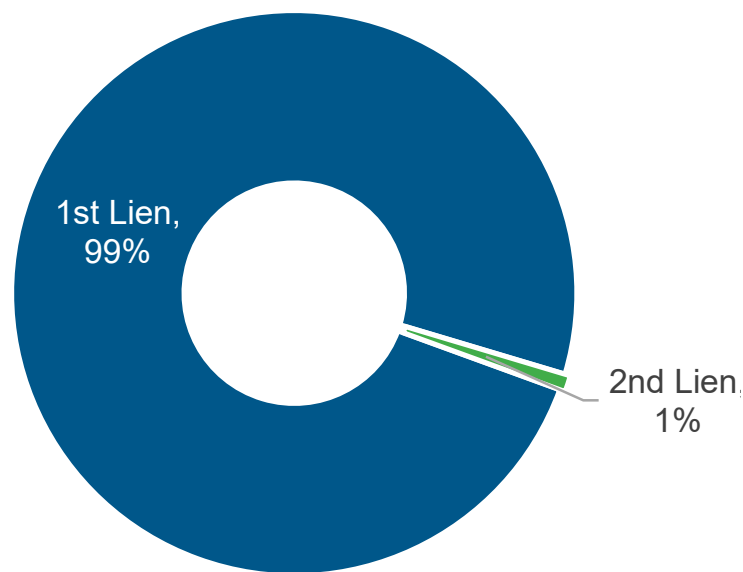
TOTAL NUMBER OF LOANS ^[e]

96

Breakdown by Country^[b]



Loan Portfolio – Security Position \$ Weighted Composition^[g]



HISTORICAL PERFORMANCE¹

Class A2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ²
2026	0.64%	-	-	-	-	-	-	-	-	-	-	-	0.64%*
2025	0.88%	0.70%	0.58%	0.60%	0.79%	0.68%	0.73%	0.72%	0.65%	0.73%	0.88%	1.06%	9.38%
2024	-	-	-	-	-	-	-	-	-	0.86%	0.78%	0.83%	2.49%*

Class F2

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD ²
2026	0.74%	-	-	-	-	-	-	-	-	-	-	-	0.74%*
2025	0.98%	0.79%	0.68%	0.69%	0.88%	0.77%	0.82%	0.82%	0.74%	0.83%	0.98%	1.15%	10.63%
2024	-	-	-	-	-	-	-	-	-	0.96%	0.87%	0.92%	2.78%*

IMPORTANT NOTES

1. The Next Edge Private Debt Fund (the 'Fund') returns are net of all fees and expenses associated with Class A2 Units, Class F2 Units, and Class J2 Units charged from October 1, 2024. Returns for 2025 and 2026 are unaudited. Therefore, performance statistics containing 2025 and 2026 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 January 30, 2026 are 1 yr 9.12%, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR 9.47%; for Class F2 Units are 1 yr 10.36%, 3 yr N/A, 5 yr N/A, 10 yr N/A, and CARR 10.72%.

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.

[a] Categorizations of loans and investments are internal, potentially subjective, and subject to change.

[b] Based on geographic location of the head office of borrower/counterparty.

[c] 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.

[d] 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).

[e] 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 through indirect and direct positions within our portfolio) to over 150 commercial finance loans.

[f] Dollar-weighted by carrying value. Factoring facilities typically involve the direct purchase and custody of factored receivables and are considered 1st position for this calculation.

[g] Based on the legal maturity date of the loan. Loans are subject to be renewed/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.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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