

Next Edge AHL Fund

Annual Management Report of Fund Performance – 2016



This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Next Edge AHL Fund (the “Fund”). You may obtain a copy of the annual financial statements at your request, and at no cost, by calling (416) 775-3600 or toll-free at (877) 860-1080, by writing to us at Next Edge Capital Corp., 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6, Canada or by visiting our website at www.nextedgecapital.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

Certain portions of this report, including but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements about Next Edge AHL Fund (the “Fund”), including its strategies, risks, expected performance and condition. All statements, other than statements of historical fact, that address activities, events or developments that Next Edge Capital Corp. (the “Manager”) and AHL Partners LLP, (the “Investment Manager”), (together, the “Companies”) believe, expect or anticipate will or may occur in the future (including, without limitation, statements regarding any targeted returns, projections, forecasts, statements and future plans and objectives of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Companies based on information currently available to the Fund.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Fund.

Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in international financial and commodities markets, fluctuations in currency exchange and interest rates, illiquidity of portfolio investments, reduction in availability of leverage, default by counterparties, special risks arising from short sales and investments in forward contracts and other derivatives, unintentional trades, accuracy of analytical models, valuation risks, limitations on redemptions, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled “Risk Factors” in the Fund’s prospectus.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Companies and the Fund disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Companies believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Next Edge AHL Fund

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Management discussion of fund performance

Investment Objective and Strategies

Next Edge AHL Fund, formerly Man Canada AHL DP Investment Fund (the “Fund”) is a commodity pool structured as an open-ended investment trust established under the laws of the Province of Ontario and governed by a Declaration of Trust dated November 12, 2009. The Fund changed its name from Man Canada AHL DP Investment Fund to Next Edge AHL Fund via an amendment to its Declaration of Trust dated June 27, 2014.

The Fund’s investment activities are managed by Next Edge Capital Corp., (the “Manager”). The Fund’s transfer agent, valuation agent and administrator is RBC Investor & Treasury Services beginning May 9, 2016 and was Citigroup Fund Services Canada Inc. prior to May 9, 2016. The registered office of the Fund is located at 1 Toronto Street, Suite 200, Toronto, Ontario, Canada.

The Fund’s investment objective is to provide holders of units (the “unitholders”) with the opportunity to realize capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities. The Fund is intended to provide added diversification and enhance the risk/reward profile of conventional investment portfolios.

To pursue its investment objectives, the Fund obtains exposure to the returns of a diversified portfolio of financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural commodities (the “Underlying Assets”) managed by AHL Partners LLP (the “Investment Manager” or “AHL”), a division of Man Group plc, using a predominantly trend-following trading program (the “AHL Diversified Programme”). The AHL Diversified Programme is implemented and managed by the Investment Manager. The Fund obtains exposure to the Underlying Assets through its investment in Man AHL DP Limited (“AHL DP Limited” or the “Underlying Fund”), an exempted company with limited liability incorporated in the Cayman Islands. The Underlying Fund holds and maintains the Underlying Assets.

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The Fund may have an unlimited number of classes of units and may issue an unlimited number of units of each class. All classes of units of the Fund are redeemable at the unitholders’ option. Each class of units is intended for different types of investors. All of the classes of units have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees, currency denomination, commissions or distributions. The net asset value per unit (the “Net Asset Value per Unit” or “NAV per Unit”) of each class is not the same as a result of the different fees, expenses and distributions allocable to each class of units.

Risk

The overall level of risk associated with an investment in the Fund has not changed over the year. There can be no assurance that the Fund will achieve its investment objective in respect of the AHL Diversified Programme. For details of the risks associated with an investment in the Fund, please refer to the Prospectus and the financial statements.

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Management discussion of fund performance (continued)

Results of Operations

The Fund had a negative return and experienced a decrease in its net assets during the year ended December 31, 2016:

Class of redeemable units	December 31, 2016 NAV per unit (CAD) ^{1,2}	December 31, 2015 NAV per unit (CAD) ^{1,2}	% return for the year ended December 31, 2016 ²
A	9.82	10.86	-9.6%
B	9.82	10.87	-9.7%
C	9.82	10.86	-9.6%
F	10.81	11.81	-8.5%
G	8.90	9.90	-10.1%
H	10.97	11.82	-7.2%
J	9.30	9.99	-6.9%
K	9.56	10.10	-5.3%
L	11.54	12.61	-8.5%
M	12.06	13.00	-7.2%

1. Net assets attributable to holders of redeemable units ("NAV", or "Net Assets")

2. Based on financial reporting NAVs

The Fund's investment portfolio continues to consist of an investment in the Underlying Fund, Man AHL DP Limited. For a summary of the results of the operations of the Underlying Fund for the period, see the Man AHL DP Limited MRFP as filed on SEDAR.

Investment Manager Performance Commentary of the Underlying Fund

Broadly, for the AHL Diversified Program (the "Program"), losses originated predominantly in commodities while trading in fixed income resulted in gains. Although overall performance was negative, the Program generated noteworthy returns in the first and last six weeks of the year when stocks and bonds respectively were falling.

Around forty new markets were added, and new research included extending cash equities trading to trend-following factors. In 2017 it is hoped that Man AHL's ('AHL') collaboration with the University of Oxford in the field of machine learning will lead to direct applications in the Program.

Currently, we feel both equity and bond markets are at elevated levels and 2017 features multiple events with considerable uncertainty in outcome. We would argue that trend-following strategies represent an important component in investors' portfolios, with their potential to perform positively in both up and down markets, their propensity to be long 'things happening', and with their potential Crisis Alpha properties.

Markets overview

While we believe 2016 will be remembered for the rise of 'populism', a term coined to interpret the cause of two major and unexpected votes, namely Brexit and the Trump victory in the US presidential election, it was a lack of trends across particularly commodity markets which caused headaches for the Program.

The year got off to a nervous start, with world stocks down around 7.0% by the end February on concerns of a slowdown in China. This did not last long, however, as by May the index was back to where it started. June saw the first of the year's two surprise votes. Brexit initially caused huge moves in markets, but with the exception of Sterling, these proved to be short lived. The subsequent quarter was mixed as markets digested comments from central bankers. November marked a turnaround in fortunes as the Trump victory propelled equities and the USD higher, but bond prices lower. These themes were underpinned by the US Federal Reserve in December as it talked of more rate rises in 2017 than markets were anticipating.

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Management discussion of fund performance (continued)

News in commodity markets was dominated by oil, whose price mirrored equities during the first quarter, then fell as OPEC failed to reach an agreement on production cuts, before rising sharply in November when they actually did.

For the Program by asset class, it was essentially a case of commodities losses being offset by fixed income gains.

Within energies, the gyrations of the oil price described in the previous section nipped trends in the bud. As with previous years, however, the non-traditional energy markets traded through the Program's allocation to the AHL Evolution Program ('Evolution') trended positively, contributing around +0.9% overall. Coal, in particular, almost doubled on Chinese demand and a price squeeze caused by ongoing concerns over the safety of French nuclear reactors, among other things.

Trading in both metals and agricultural commodities also resulted in losses, but dispersion by instrument was high. Aluminium prices were rangebound, whereas zinc prices were propelled consistently higher by a combination of mine closures and robust Chinese buying. Long sugar positions, particularly in summer, benefited from poor forecasts for crop yields as a result of extreme weather.

FX trading was mixed. Long emerging market currencies versus the US Dollar dominated the best performers, despite sharp reversals in these markets after the surprise US election result in November. Crosses involving developed markets, and most notably the Euro, however, were rangebound.

In equities, the Program entered 2016 flat then built into a short throughout January as concerns about a slowdown in China weighed on markets. The sudden reversal at the end of February, with world stocks rebounding 5% in one week, hit short positioning hard and losses were incurred. It was an uncharacteristic year for AHL's cash equity trading, which trades momentum on sectors constructed as baskets of single-name stocks. In each of the preceding three years it has outperformed equity index trading, and the two now have equal share of the asset class's risk allocation in the Program. This year, however, both cash and index futures strategies have performed similarly in aggregate.

Top and bottom performers in equities arose from cash equities trading. The woes of the European banking sector were widely publicized, and the strategy generated positive returns through short positioning to November, before turning long and contributing to performance as the sector rebounded. Trading in European Materials, on the other hand, was beneficial through predominantly long positioning. Losses were greatest in the US Pharmaceuticals & Biotechnology sector, where prices were rangebound and exhibited sharp reversals, particularly around November when it became apparent that Hilary Clinton, the sector's nemesis, would be unsuccessful in her bid to be the next US president.

Long fixed income positions at the start of the year were the main beneficiary of risk-off markets. In Q4, however, US 10 year government bond yields rose from 1.6% to 2.6%. The Program quickly went short bonds in November and hence accrued gains in November and December through short positioning. The reactive nature of the conditioned carry algorithm was key here. AHL's bespoke execution platform facilitates reactive trading when it is needed most. For 10-year US treasury bonds, this conditioning cut in aggressively around the first week in November and nullified the long carry signal by the middle of the month, leaving faster momentum signals to take the overall position short.

Research

As the previous section showed, some markets have trended in 2016, others have not, and overall negative performance illustrates that trends have not predominated.

Trend-following at the single-market level can be a relatively low Sharpe Ratio strategy; returns have historically been low for a unit of risk. Trend-followers therefore rely on diversification across multiple markets seeking to raise the portfolio Sharpe. In order to identify potential performance drivers, we feel it is useful to examine average Sharpe Ratio per market, and correlation between markets, illustrating diversification.

With the exception of 2014, average Sharpe Ratios have declined since the Credit Crisis of 2008. We have argued in previous reviews that this corresponds to periods of heightened central bank intervention, noting in particular the significant impact that Hank Paulson's first 'QE bazooka' had on markets in 2009.

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Management discussion of fund performance (continued)

A correlation between futures and FX forwards, representing markets typically traded by trend followers, rose post Credit Crisis. This is a quantitative illustration of 'risk-on, risk-off' behavior, as it was termed, where markets which had historically moved in different ways started moving in lock-step, driven mainly by comments by central bankers. This caused a rise in correlation and therefore a decrease in diversification in the Program.

Correlation fell dramatically in 2014 and, coinciding with a rise in average Sharpe, led to a Program net return of 31%. Since then, however, the average market Sharpe Ratio has fallen and correlation has risen. It is this, we believe, that has caused problems for the Program in 2016.

The question that arises is what can be done to fix this problem. One alternative would be to add different trading styles, but we feel this would constitute style drift and potentially water down a trend-following strategy's historical ability to perform when markets are in crisis. Instead, AHL has continued to innovate through the addition of new and differentiating markets, such as interest rate swaps, cash equities, and credit and power derivatives, all traded through the Program's allocation to Evolution. Historically, these have often had price drivers which are quite different to traditional futures markets; price drivers such as weather and emerging market economics. Correlation within these markets has historically been consistently lower than those of futures and forwards markets. Corresponding performance has been robust, with a Sharpe Ratio of 1.2 in the last five years.

Hence AHL has sought to add to this list of differentiating markets over time, and has increased both the number of Evolution markets and the allocation to them within the Program. This year has been no different, with the addition of around forty markets, such as power markets in the US, fuel markets in Asia, and off-the-run mortgage bonds.

Buoyed by its experience trading sectors trends, AHL's equity team has set its sights on factors. Instead of slicing cash equities by sector, the universe is instead sorted by, for example, size, volatility, and leverage, with long/short baskets then formed from each and a price series calculated. For leverage, the factor can be in or out of favor for lengthy periods, lending themselves to being trend-followed. The hypothetical track record for doing this is shown in blue. These models were introduced for 12 factors across three regions in summer.

Equity and equity execution research were beneficiaries of the strong growth in AHL's team over 2016, which grew from 115 to 146. Another avenue of expansion has been in machine learning, which is currently the focus of the Oxford-Man Institute (OMI), AHL's collaboration with the University of Oxford. The OMI team have considerable experience applying machine learning techniques to real-world situations, such as in the automotive and aviation industries. AHL has been trading with its own machine learning algorithms for around three years in its multi-strategy programs, and it is planned to include some of this within the Program in 2017.

Additional developments include the formation of a Data Innovation team, whose brief is to investigate new and diversifying data sources for all of AHL's programs. Early work has included, for example, short-interest data, sentiment indicators, and social media feeds.

Recent Developments

The Fund's investment portfolio continues to consist of an investment in the Underlying Fund. There were no changes to the manager, portfolio adviser, change of control of the manager or portfolio adviser, no reorganizations, and no changes to the composition of the independent review committee during the period.

Related Party Transactions

The Manager is responsible for the day-to-day operations of the Fund and provides management services to the Fund, including the marketing, promotion, and distribution of the Fund; transfer agency services; and unitholder reporting and servicing. In consideration of the management services, the Fund pays management fees, which are accrued for weekly, to the Manager based on the average NAV of the applicable class of units of the Fund. Dealer compensation, or service fees, if any, are paid out of management fees and the Manager is not reimbursed for these payments.

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Management discussion of fund performance (continued)

Total management fees for the year ended December 31, 2016 amounted to \$1,407,171 (2015: \$1,942,360) with \$59,142 in outstanding accrued fees due to the Manager at December 31, 2016 (December 31, 2015: \$83,569).

The Manager incurs operating expenses on behalf of the Fund and is then reimbursed by the Fund for such expenses.

The Manager also provided start-up investment capital to the Fund and sufficient initial capital to each additional class of the Fund to permit that series to be valued effectively on a weekly basis. The Manager's investment in the Fund is recorded at the NAV per unit of each class, as applicable.

National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds, such as the Fund, to establish an independent review committee ("IRC"). Consequently, the Manager has appointed three independent IRC members. The purpose of the IRC is to: (i) review and provide input on the Manager's written policies and procedures that deal with conflict of interest matters; (ii) consider and, if deemed appropriate, approve the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and (iii) perform such other duties as may be required of the IRC under applicable Canadian securities laws. Additional information about the IRC is available in the Fund's prospectus. Fees are paid to the IRC members for the performance of their duties.

The total remuneration paid to members of the Independent Review Committee during the year ended December 31, 2016 was \$48,256 (2015: \$47,803). There were no outstanding payables relating to Independent Review Committee fees as at December 31, 2016 and December 31, 2015.

The Fund also earns its returns based on the performance of the Underlying Assets which are managed by the Investment Manager. Effective June 10, 2014, the Investment Manager, wholly owned by Man Group plc, was no longer a Related Party.

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Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from January 1 to December 31 for each of the past five years.

Class A – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³
Net Assets per unit, beginning of period	10.86	11.36	8.70	9.42	10.32
Increase (decrease) from operations					
Total revenue	0.05	0.05	0.03	0.02	0.07
Total expenses	(0.33)	(0.36)	(0.29)	(0.21)	(0.19)
Realized gains (losses) for the period	0.39	1.39	0.93	0.56	0.31
Unrealized gains (losses) for the period	(1.09)	(1.54)	2.00	(1.10)	(1.11)
Total increase (decrease) from operations	(0.98)	(0.46)	2.68	(0.73)	(0.92)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	9.82	10.86	11.36	8.70	9.42

Class B – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³
Net Assets per unit, beginning of period	10.87	11.38	8.71	9.43	10.33
Increase (decrease) from operations					
Total revenue	0.05	0.05	0.02	0.02	0.07
Total expenses	(0.34)	(0.37)	(0.28)	(0.22)	(0.19)
Realized gains (losses) for the period	0.43	1.43	0.84	0.57	0.32
Unrealized gains (losses) for the period	(1.05)	(1.55)	1.85	(1.13)	(1.11)
Total increase (decrease) from operations	(0.91)	(0.44)	2.43	(0.75)	(0.91)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	9.82	10.87	11.38	8.71	9.43

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Financial highlights (continued)

Class C – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³
Net Assets per unit, beginning of period	10.86	11.37	8.71	9.42	10.33
Increase (decrease) from operations					
Total revenue	0.05	0.05	0.03	0.02	0.07
Total expenses	(0.28)	(0.38)	(0.29)	(0.22)	(0.19)
Realized gains (losses) for the period	0.41	1.42	0.92	0.61	0.30
Unrealized gains (losses) for the period	(1.13)	(1.54)	1.97	(1.13)	(1.09)
Total increase (decrease) from operations	(0.95)	(0.45)	2.63	(0.71)	(0.91)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	9.82	10.86	11.37	8.71	9.42

Class F – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³
Net Assets per unit, beginning of period	11.81	12.19	9.19	9.81	10.61
Increase (decrease) from operations					
Total revenue	0.05	0.06	0.03	0.02	0.07
Total expenses	(0.20)	(0.23)	(0.15)	(0.09)	(0.06)
Realized gains (losses) for the period	0.37	1.48	0.95	0.53	0.30
Unrealized gains (losses) for the period	(1.24)	(1.68)	2.01	(1.10)	(1.14)
Total increase (decrease) from operations	(1.02)	(0.37)	2.84	(0.64)	(0.83)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	10.81	11.81	12.19	9.19	9.81

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Financial highlights (continued)

Class G – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²	Dec 31, 2012 ³
Net Assets per unit, beginning of period	9.90	10.37	7.94	8.60	9.45
Increase (decrease) from operations					
Total revenue	0.04	0.05	0.03	0.02	0.06
Total expenses	(0.30)	(0.36)	(0.27)	(0.20)	(0.19)
Realized gains (losses) for the period	0.42	1.46	0.83	0.54	0.27
Unrealized gains (losses) for the period	(1.05)	(1.78)	1.77	(1.00)	(0.98)
Total increase (decrease) from operations	(0.89)	(0.63)	2.36	(0.64)	(0.84)
Distributions					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period⁴	8.90	9.90	10.37	7.94	8.60

Class H – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{2, 6}
Net Assets per unit, beginning of period	11.82	12.07	9.08	10.00
Increase (decrease) from operations				
Total revenue	0.05	0.06	0.05	-
Total expenses	(0.07)	(0.09)	(0.12)	(0.09)
Realized gains (losses) for the period	0.32	1.51	0.98	(1.06)
Unrealized gains (losses) for the period	(1.32)	(1.57)	2.66	0.11
Total increase (decrease) from operations	(1.02)	(0.09)	3.57	(1.04)
Distributions				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total distributions	-	-	-	-
Net Assets per unit, end of period⁴	10.97	11.82	12.07	9.08

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Financial highlights (continued)

Class J – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1,5}
Net Assets per unit, beginning of period	9.99	10.23	-
Increase from operations			
Total revenue	0.04	0.05	-
Total expenses	(0.28)	(0.32)	-
Realized gains for the period	-	0.40	0.01
Unrealized (losses) gains for the period	(0.28)	(0.38)	0.22
Total increase (decrease) from operations	(0.52)	(0.25)	0.23
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions	-	-	-
Net Assets per unit, end of period⁴	9.30	9.99	10.23

Class K – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1,5}
Net Assets per unit, beginning of period	10.10	10.23	-
Increase from operations			
Total revenue	0.04	0.05	0.01
Total expenses	(0.17)	(0.20)	-
Realized gains for the period	(0.04)	0.36	0.01
Unrealized gains (losses) for the period	(0.13)	(0.14)	0.22
Total increase from operations	(0.30)	0.07	0.24
Distributions			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total distributions	-	-	-
Net Assets per unit, end of period⁴	9.56	10.10	10.23

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Financial highlights (continued)

Class L – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{2, 6}
Net Assets per unit, beginning of period	12.61	13.06	10.00	10.00
Increase from operations				
Total revenue	0.06	0.06	0.04	-
Total expenses	(0.25)	(0.28)	(0.34)	-
Realized gains for the period	0.43	1.46	0.63	-
Unrealized (losses) gains for the period	(1.33)	(2.00)	2.24	-
Total increase (decrease) from operations	(1.09)	(0.76)	2.57	-
Distributions				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total distributions	-	-	-	-
Net Assets per unit, end of period⁴	11.54	12.61	13.06	10.00

Class M – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{2, 6}
Net Assets per unit, beginning of period	13.00	13.27	10.00	10.00
Increase (decrease) from operations				
Total revenue	0.06	0.06	0.05	-
Total expenses	(0.08)	(0.09)	(0.20)	-
Realized gains for the period	0.40	1.53	0.73	-
Unrealized (losses) gains for the period	(1.15)	(1.90)	2.60	-
Total increase (decrease) from operations	(0.77)	(0.40)	3.18	-
Distributions				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
Total distributions	-	-	-	-
Net Assets per unit, end of period⁴	12.06	13.00	13.27	10.00

1. This information is derived from the Fund's annual financial statements for the years ended December 31, 2016, 2015 and 2014. Information related to the years ended December 31, 2016, 2015 and 2014 have been prepared in compliance with International Financial Reporting Standards as published by the International Accounting Standards Board.

2. This information is derived from the Company's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required

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Annual management report of fund performance – December 31, 2016

Financial highlights (continued)

the use of close prices for the Common Share Portfolio and Forward Agreement. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP.

Prior to December 9, 2013, the Fund obtained exposure to the Underlying Assets through one or more forward purchase and sale agreements (collectively, the "Forward Agreement") entered into with one or more Canadian chartered banks and/or their affiliates (the "Counterparty"). The Counterparty in turn held AHL Investment Strategies SPC Class D Man AHL Diversified 2 CAD Notes ("AHL SPC Notes"), which held the Underlying Assets at the time. The Fund invested in a specified portfolio of common shares of Canadian public companies (the "Common Share Portfolio") that were listed on the Toronto Stock Exchange, pursuant to which the Counterparty agreed to pay to the Fund upon a partial settlement the purchase price of the relevant portion of an investment in the applicable Common Share Portfolio, an amount equal to 100% of the redemption proceeds of a corresponding number of participating AHL SPC Notes.

3. This information is derived from the Fund's audited financial statements for the year ended December 31, 2012. Information related to the year ended December 31, 2012 had been prepared in compliance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountants of Canada Handbook – Accounting at the time.
4. Net Assets are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is calculated based on the average number of units outstanding over the period. Therefore, the beginning of period Net Assets, the increase (decrease) from operations and distributions, if any, will not sum to the end of period Net Assets.
5. Class J and K units were initially issued on December 16, 2014.
6. Class H was initially issued on February 14, 2013. Class L and M units were initially issued on December 30, 2013.

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Annual management report of fund performance – December 31, 2016

Financial highlights (continued)

Class A – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴
Total NAV (CAD 000s) ¹	27,045	37,937	44,201	31,108	53,900
Number of units outstanding ¹	2,752,906	3,493,554	3,890,153	3,575,253	5,723,378
Management expense ratio ⁵	5.31%	8.15%	8.03%	5.59%	5.31%
Management expense ratio before waivers or absorptions	5.31%	8.15%	8.43%	5.59%	5.31%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%	0.90%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%	22.57%
NAV per unit (CAD)	9.82	10.86	11.36	8.70	9.42

Class B – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴
Total NAV (CAD 000s) ¹	5,860	10,940	14,359	15,755	24,966
Number of units outstanding ¹	596,901	1,006,698	1,261,953	1,809,079	2,648,598
Management expense ratio ⁵	5.35%	8.22%	7.31%	5.61%	5.29%
Management expense ratio before waivers or absorptions	5.35%	8.22%	7.71%	5.61%	5.29%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%	0.90%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%	22.57%
NAV per unit (CAD)	9.82	10.87	11.38	8.71	9.43

Class C – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴
Total NAV (CAD 000s) ¹	3,264	5,178	6,446	5,261	6,910
Number of units outstanding ¹	332,434	476,865	566,876	604,333	733,277
Management expense ratio ⁵	5.39%	8.25%	7.70%	5.62%	5.30%
Management expense ratio before waivers or absorptions	5.39%	8.25%	8.10%	5.62%	5.30%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%	0.90%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%	22.57%
NAV per unit (CAD)	9.82	10.86	11.37	8.71	9.42

Class F – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴
Total NAV (CAD 000s) ¹	15,929	16,447	17,159	13,440	37,928
Number of units outstanding ¹	1,437,118	1,392,418	1,407,087	1,462,174	3,865,846
Management expense ratio ⁵	3.99%	6.79%	6.76%	4.15%	3.92%
Management expense ratio before waivers or absorptions	3.99%	6.79%	7.16%	4.15%	3.92%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%	0.90%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%	22.57%
NAV per unit (CAD)	10.81	11.81	12.19	9.19	9.81

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Annual management report of fund performance – December 31, 2016

Financial highlights (continued)

Class G – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ³	Dec 31, 2012 ⁴
Total NAV (CAD 000s) ¹	708	1,555	4,614	3,972	5,548
Number of units outstanding ¹	79,602	157,086	445,036	500,246	644,885
Management expense ratio ⁵	5.29%	8.35%	7.68%	5.70%	5.48%
Management expense ratio before waivers or absorptions	5.29%	8.35%	8.08%	5.70%	5.48%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%	0.90%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%	22.57%
NAV per unit (CAD)	8.90	9.90	10.37	7.94	8.60

Class H – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ^{3, 8}
Total NAV (CAD 000s) ¹	3,563	3,423	4,373	991
Number of units outstanding ¹	324,776	289,466	362,233	109,189
Management expense ratio ⁵	2.87%	5.69%	7.88%	1.23%
Management expense ratio before waivers or absorptions	2.87%	5.69%	8.28%	1.23%
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	10.97	11.82	12.07	9.08

Class J – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ^{2, 9}
Total NAV (CAD 000s) ¹	4,698	8,853	19,347
Number of units outstanding ¹	505,200	886,213	1,891,444
Management expense ratio ⁵	5.04%	6.72%	10.32%
Management expense ratio before waivers or absorptions	5.04%	6.72%	10.84%
Trading expense ratio ⁶	0.02%	0.02%	0.04%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.30	9.99	10.23

Class K – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ^{2, 9}
Total NAV (CAD 000s) ¹	778	1,260	3,415
Number of units outstanding ¹	81,433	124,709	333,680
Management expense ratio ⁵	3.94%	5.63%	9.19%
Management expense ratio before waivers or absorptions	3.94%	5.63%	9.71%
Trading expense ratio ⁶	0.02%	0.02%	0.04%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.56	10.10	10.23

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Financial highlights (continued)

Class L – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ^{3, 8}
Total NAV (CAD 000s) ¹	1,058	1,131	629	537
Number of units outstanding ¹	91,675	89,639	48,198	53,740
Management expense ratio ⁵	4.30%	7.05%	7.45%	-
Management expense ratio before waivers or absorptions	4.30%	7.05%	7.85%	-
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.54	12.61	13.06	10.00

Class M – Ratios and Supplement Data:

For the periods ended	Dec 31, 2016 ²	Dec 31, 2015 ²	Dec 31, 2014 ²	Dec 31, 2013 ^{3, 8}
Total NAV (CAD 000s) ¹	9,960	10,816	6,214	4,855
Number of units outstanding ¹	825,803	831,914	468,138	485,670
Management expense ratio ⁵	2.88%	5.64%	6.29%	-
Management expense ratio before waivers or absorptions	2.88%	5.64%	6.69%	-
Trading expense ratio ⁶	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁷	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	12.06	13.00	13.27	10.00

1. This information is provided as at and for the periods ended December 31, 2016, 2015, 2014, 2013, and 2012.
2. This information is derived from the Fund's audited financial statements for the year ended December 31, 2016, 2015 and 2014. Information related to the period ended December 31, 2016, 2015 and 2014 have been prepared in compliance with International Financial Reporting Standards as published by the International Accounting Standards Board.
3. This information is derived from the Company's audited annual financial statements. The Fund adopted IFRS on January 1, 2014. Previously, the Fund prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Fund measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of close prices for the Common Share Portfolio and Forward Agreement. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to January 1, 2014. Upon adoption of IFRS, the Fund measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Fund's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at January 1, 2013 was restated to reflect accounting policy adjustments made in accordance with IFRS. All figures presented for periods prior to January 1, 2013 were prepared in accordance with Canadian GAAP.
4. Information related to the period ended December 31, 2012 had been prepared in compliance with Canadian Generally Accepted Accounting Principles as defined in Part V of the Chartered Professional Accountants of Canada Handbook – Accounting at the time.
5. Management expense ratio is based on total expenses of the Fund and the Fund's allocated percentage of Man AHL DP Limited's (applicable effective December 9, 2013) and AHL Investment Strategies SPC – Class D Man AHL Diversified 2 CAD Notes' (applicable prior to December 9, 2013) expenses for the stated period as applicable (excluding commission and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratio is calculated in accordance with Part 15 of NI 81-106.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
8. Class H was initially issued on February 14, 2013. Class L and M units were initially issued on December 30, 2013.

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Annual management report of fund performance – December 31, 2016

Financial highlights (continued)

9. Class J and K units were initially issued on December 16, 2014.

Management Fees

For the year ended December 31, 2016, for its services to the Fund, the Manager was entitled to receive from the Fund, a management fee (the “Management Fee”) at (up to) an annual rate of: (i) 2.25% of the portion of its Net Asset Value represented by the Class A units, Class B units, Class C units; (ii) 2.30% of the portion of its Net Asset Value represented by the Class G units; (iii) 2.00% of the portion of its Net Asset Value represented by the Class J units (2.25% prior to Nov 25, 2014), (iv) 1.25% of the portion of its Net Asset Value represented by the Class L units (2.25% prior to June 27, 2014); (v) 1.00% of the portion of its Net Asset Value represented by the Class F units, and Class K units; and (vi) 0% of the portion of its Net Asset Value represented by the Class H units (1.00% prior to June 27, 2014) and Class M units, calculated weekly and paid monthly in arrears, plus applicable taxes. The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund’s units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to the role of the Manager.

Annual management fees, and a breakdown of the services received in consideration of the management fees, as a percentage of management fees, for the year ended December 31, 2016, are as follows:

As a percentage of management fees

Class of units	Annual Rates	Dealer Compensation	General administration, investment advice and profit
A	2.25%	55.56%	44.44%
B ¹ (non-matured units)	2.25%	11.11%	88.89%
B ¹ (matured units)	2.25%	55.56%	44.44%
C	2.25%	22.22%	77.78%
F	1.00%	0.00%	100.00%
G	2.30%	21.74%	78.26%
H	0.00%	n/a	n/a
J	2.00%	50.00%	50.00%
K	1.00%	0.00%	100.00%
L	1.25%	100.00%	0.00%
M	0.00%	n/a	n/a

1. For class B, service fees payable to registered dealers increase to 1.25% of the NAV per unit (from 0.25%) commencing three years from the date of issue of such units. During the year ended December 31, 2014, the majority of the issued class B units matured to the new fee structure.

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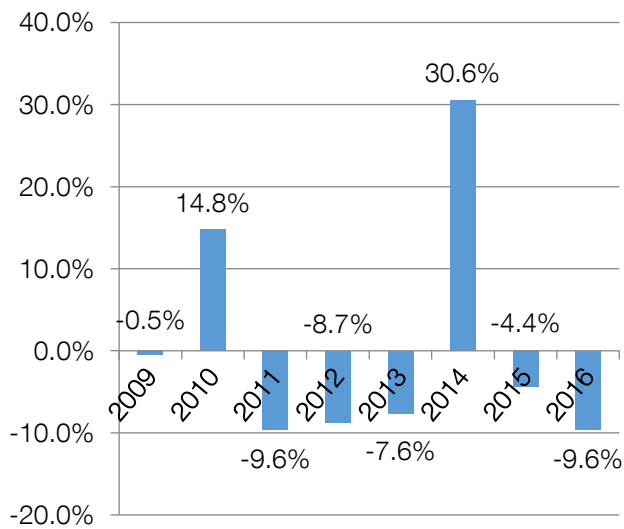
Annual management report of fund performance – December 31, 2016

Past performance

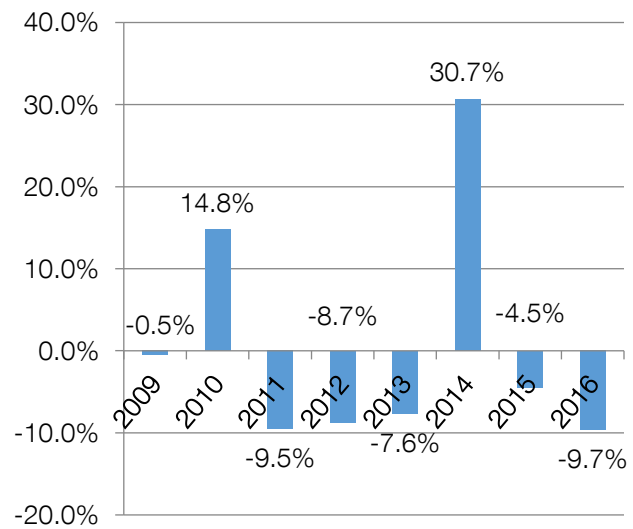
Year-by-Year Returns¹

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information shown does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Class A⁶



Class B⁶

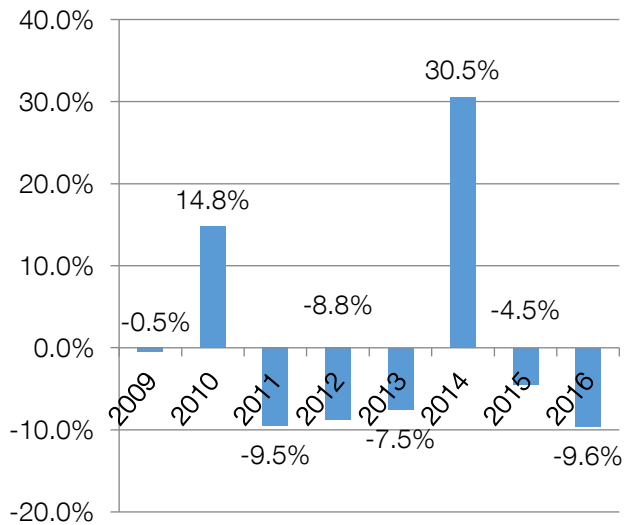


Next Edge AHL Fund

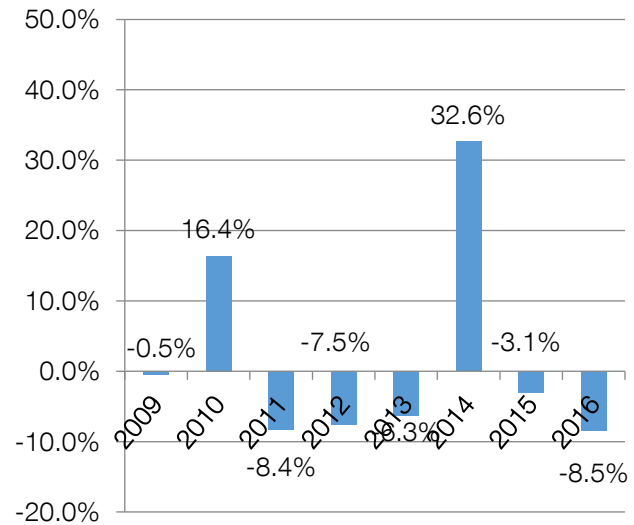
Annual management report of fund performance – December 31, 2016

Past performance (continued)

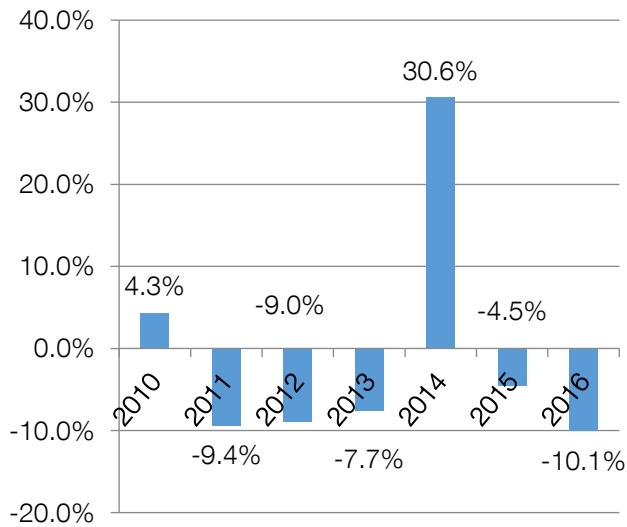
Class C⁶



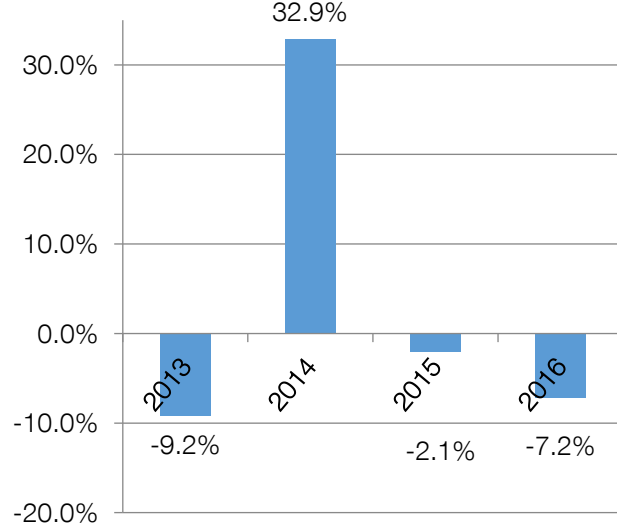
Class F⁶



Class G²



Class H³

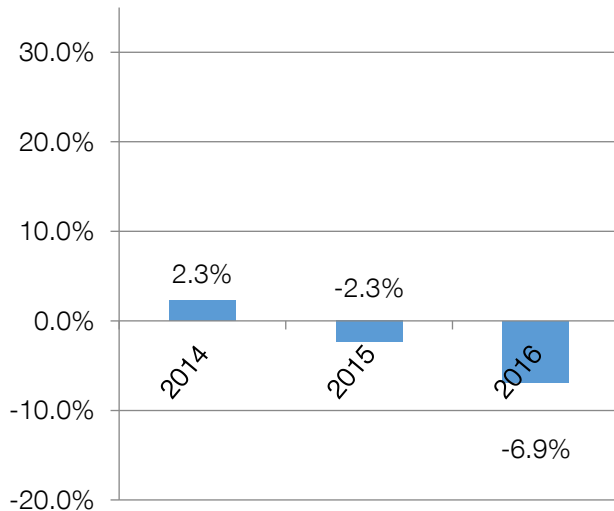


Next Edge AHL Fund

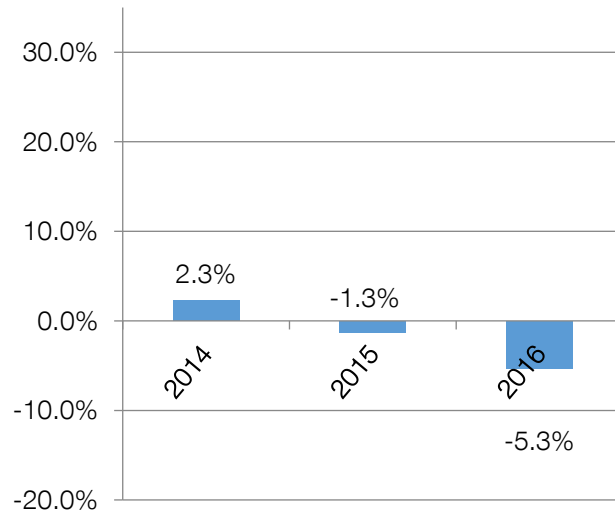
Annual management report of fund performance – December 31, 2016

Past performance (continued)

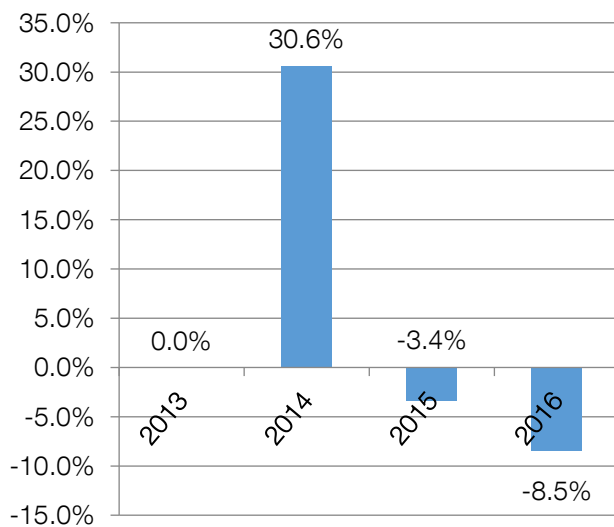
Class J⁴



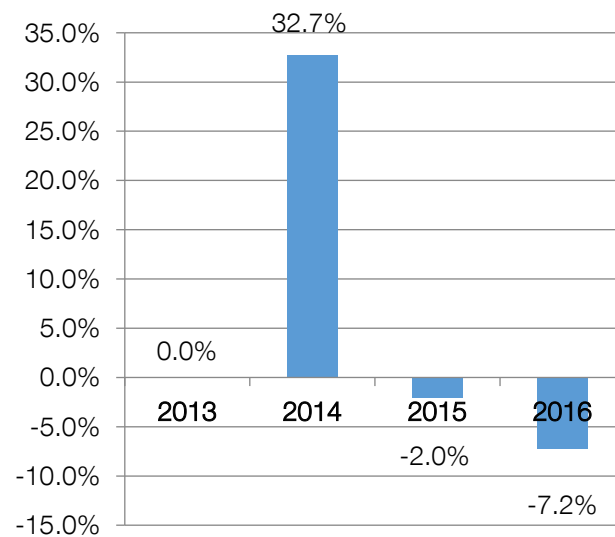
Class K⁴



Class L⁵



Class M⁵



1. Based on financial reporting NAVs
2. Class G units were initially issued on November 9, 2010. The 2010 period return presented is from November 9, 2010 to December 31, 2010.
3. Class H units were initially issued on February 14, 2013. The 2013 period return presented is from February 14, 2013 to December 31, 2013.
4. Class J and K units were first issued on December 16, 2014. The 2014 period return presented is from December 16, 2014 to December 31, 2014.
5. Class L and M units were first issued on December 30, 2013. The 2013 period return presented is from December 30, 2013 to December 31, 2013.
6. Class A, B, C, and F units were initially issued on December 1, 2009 (the Fund's inception date). The 2009 period return presented is from December 1, 2009 to December 31, 2009.

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Annual management report of fund performance – December 31, 2016

Past performance (continued)

Annual Compound Returns

The following table shows the historical annualized compound returns for each Class of units of the Fund, for each of the periods ended December 31, 2016. It also shows, for the same periods, the returns for world stocks, world bonds, and managed futures. The performance of world stocks, world bonds, and managed futures, have been hedged into the Fund's currency Canadian dollars using the relevant three month LIBOR interest rate differentials. The world stocks and world bonds indices selected are not benchmarks, as they are not representative of the Fund's investment strategy.

Percentage Return	1 year	3 years	5 years	10 years	Since Inception ⁵
Class A Units ¹	-9.6%	4.1%	-1.0%	N/A	-0.3%
Class B Units ¹	-9.7%	4.1%	-1.0%	N/A	-0.3%
Class C Units ¹	-9.6%	4.1%	-1.0%	N/A	-0.3%
Class F Units ¹	-8.5%	5.6%	0.4%	N/A	1.1%
Class G Units ¹	-10.1%	3.9%	-1.2%	N/A	-1.9%
Class H Units ¹	-7.2%	6.5%	N/A	N/A	2.4%
Class J Units ¹	-6.9%	N/A	N/A	N/A	-3.5%
Class K Units ¹	-5.3%	N/A	N/A	N/A	-2.2%
Class L Units ¹	-8.5%	4.9%	N/A	N/A	4.9%
Class M Units ¹	-7.2%	6.4%	N/A	N/A	6.4%
World Stocks ²	9.7%	7.7%	13.6%	N/A	10.4%
World Bonds ³	4.1%	5.1%	4.4%	N/A	4.6%
Managed Futures ⁴	-4.6%	2.6%	1.7%	N/A	1.7%

Source: Next Edge database and Bloomberg. There is no guarantee of performance and past or projected performance is not a reliable indicator of future performance. The latest data available at the time of production has been used. Returns may increase or decrease as a result of currency fluctuations. The performance of world stocks and world bonds have been hedged into the Fund's currency (CAD) using the relevant three month LIBOR interest rate differentials.

1. The Fund is valued weekly; however, for comparative purposes, statistics have been calculated using a year-end valuation for financial reporting purposes as at December 31, 2016.
2. World stocks index: MSCI World Net Total Return Index hedged to CAD, the Inception date used is December 31, 2009.
3. World bonds index: Citigroup World Government Bond Index hedged to CAD (Total return), the inception date used is December 31, 2009.
4. Managed futures index: Barclay BTOP 50 Index hedged to CAD. Inception date varies by class. For World Stocks, World Bonds, and Managed Futures, the Inception date used is December 31, 2009.
5. The inception dates used in the calculation of returns since inception are as follows: November 29, 2009 for Classes A, B, C, and F units; November 9, 2010 for Class G units; February 14, 2013 for Class H units; December 16, 2014 for Class J and K units; and December 30, 2013 for Class L and M units.

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Past performance (continued)

The following shows the underlying assets allocation by asset class and the top 25 holdings as presented in the Man AHL DP Limited Management Report on Fund Performance posted on SEDAR. The Underlying Assets may change due to ongoing portfolio transactions. For further details, see the Man AHL DP Limited financial statements for the year ended December 31, 2016 as posted on SEDAR.

Portfolio Allocation

Asset Class	% of Net Asset Value ²	Asset Class	% of Net Asset Value ²
Long positions		Short positions	
Cash & equivalents	64.59%	Currency	(9.51%)
Fund	29.36%	Metal	(2.19%)
Currency	12.19%	Stock index	(1.07%)
Stock index	3.32%	Interest rate	(0.83%)
Agricultural	2.02%	Agricultural	(0.72%)
Energy	2.10%	Energy	(0.56%)
Interest rate	1.77%		
Metal	0.36%		
Total long	115.71%	Total short	(14.88%)
Total investments	100.83%		
Other net liabilities	(0.83%)		
Total Net Asset Value	100.00%		

Top 25 Long Positions

Issuer	% of Net Asset Value ²
Investment in AHL Evolution Ltd	29.36%
USD/AUD Forward exchange contract	0.78%
CAD/USD Forward exchange contract	0.70%
USD/EUR Forward exchange contract	0.58%
USD/GBP Forward exchange contract	0.53%
SEK/EUR Forward exchange contract	0.52%
COCOA FUTURE Mar17	0.52%
SPI 200 FUTURES Mar17	0.50%
NATURAL GAS FUTR Feb17	0.44%
DOLLAR INDEX Mar17	0.42%
COCOA FUTURE - ICEMar17	0.37%
BRL/USD Forward exchange contract	0.35%
FTSE 100 IDX FUT Mar17	0.34%
USD/GBP Forward exchange contract	0.34%
NIKKEI 225 (SGX) Mar17	0.33%
EURO-BOBL FUTURE Mar17	0.32%
BRL/USD Forward exchange contract	0.31%
KOSPI2 INX FUT Mar17	0.31%
BRL/USD Forward exchange contract	0.28%
COFFEE 'C' FUTURE Mar 17	0.28%
DAX INDEX FUTURE Mar17	0.25%
EURO STOXX 50 Mar17	0.25%
USD/SGD Forward exchange contract	0.24%
EURO-BUND FUTURE Mar17	0.24%
BRENT CRUDE FUTR Jun17	0.23%

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Past performance (continued)

Top 25 Short Positions

Issuer	% of Net Asset Value ²
CLP/USD Forward exchange contract	(0.62%)
CAD/EUR Forward exchange contract	(0.52%)
NOK/EUR Forward exchange contract	(0.46%)
USD/Gold Forward exchange contract	(0.45%)
NZD/USD Forward exchange contract	(0.38%)
ICE NAT GAS FUTR Feb17	(0.38%)
Palladium/USD Forward exchange contract	(0.38%)
USD/BRL Forward exchange contract	(0.34%)
AUD/EUR Forward exchange contract	(0.33%)
SOYBEAN OIL FUTR Mar17	(0.28%)
PALLADIUM FUTURE Mar17	(0.27%)
EUR/SEK Forward exchange contract	(0.26%)
CAD/USD Forward exchange contract	(0.25%)
EUR/SEK Forward exchange contract	(0.23%)
EUR/USD Forward exchange contract	(0.22%)
Russell 2000 Mini Mar 17	(0.22%)
CAD/USD Forward exchange contract	(0.20%)
S&P500 EMINI FUT Mar17	(0.19%)
USD/SEK Forward exchange contract	(0.19%)
AUD/EUR Forward exchange contract	(0.17%)
USD/BRL Forward exchange contract	(0.17%)
SGD/USD Forward exchange contract	(0.17%)
NZD/USD Forward exchange contract	(0.16%)
GBP/EUR Forward exchange contract	(0.15%)
GOLD 100 OZ FUTR Feb17	(0.15%)

Total Net Asset Value of the Underlying Fund: **24,030,649 CAD¹**

1. The total fair value of the Fund's investments is referable to Class A and Class C redeemable participating shares issued by Man AHL DP Limited. As at December 31, 2016, 142,519 Class A shares with a Net Asset Value of approximately \$22.8 million representing 100% of the outstanding Class A shares, and 7,411 Class C shares with a Net Asset Value of approximately \$1.2 million representing 100% of the outstanding Class C Shares were issued to the Fund.
2. The percentage of the Class net assets refer to the amount of margin required in cash terms to be pledged against the relevant investments. The cash requirement has then been converted into a percentage of the Net Asset Value of Man AHL DP Limited. The investments of Man AHL DP Limited consist predominately of futures contracts in the AHL Portfolio written across a range of global markets including currencies, bonds, stocks, energies, agriculturals, metals and interest rates and may have a substantially larger notional value than is reflected by the investment amount with the result that the portfolio is exposed to a form of leverage. Such futures contracts may be purchased or sold resulting in a long or short investment position.

Next Edge AHL Fund

Annual management report of fund performance – December 31, 2016

General information

MANAGER AND PRINCIPAL DISTRIBUTOR

Next Edge Capital Corp.
1 Toronto Street, Suite 200
Toronto, ON M5C 2V6

Telephone: (416) 775-3600
Fax: (416) 775-3601
Toll Free: 1 (877) 860-1080

www.nextedgecapital.com

REGISTRAR, TRANSFER AGENT, VALUATION AGENT AND CUSTODIAN

Effective May 9, 2016:

RBC Investor & Treasury Services
155 Wellington Street West
Toronto, ON M5V 3H6

www.rbcits.com

REGISTRAR, TRANSFER AGENT AND VALUATION AGENT

Until May 8, 2016:

Citigroup Fund Services Canada Inc.
5900 Hurontario Street, Suite 100
Mississauga, ON L5R 0E8

www.citigroup.com

CUSTODIAN

Until May 8, 2016:

Citibank Canada
Citibank Place
123 Front Street West
Suite 1900
Toronto, ON M5J 3M3

www.citibank.com/canada/

AUDITORS

Ernst & Young LLP
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

www.ey.com

LEGAL COUNSEL

McMillan LLP
Brookfield Place, Suite 4400
181 Bay Street
Toronto, ON M5J 2T3

www.mcmillan.ca

INVESTMENT MANAGER

AHL Partners LLP
Man AHL London
Riverbank House
2 Swan Lane
London, EC4R 3AD
United Kingdom

www.ahl.com

Next Edge Capital Corp.
1 Toronto St., Suite 200
Toronto, ON M5C 2V6

Tel: 416 775-3600
Fax: 416 775-3601

www.nextedgecapital.com