

Annual Report of the Independent Review Committee of the Next Edge Group of Funds

January 26, 2017

IRC Annual Report to: Securityholders in the Next Edge group of funds (the “Funds”) as listed at the end of this report

Dear Securityholder,

In accordance with **National Instrument 81-107 Independent Review Committee for Investment Funds** (“NI 81-107” or the “Instrument”), the former manager established an Independent Review Committee (the “Committee” or “IRC”) for the Funds in May 2009.

The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to Securityholders, covering the period from January 1, 2016 to December 31, 2016 (“the Reporting Period”).

Mandate of the IRC

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a decision to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SI’s”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SI’s.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, it has sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the Funds.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

<i>Name and Municipality of Residence</i>	<i>Principal Occupation</i>	<i>Term of Office</i>
Chair: Eamonn B.P. McConnell, Toronto, Ontario	Consultant, Managing Director Kensington Capital	Originally appointed May 2009; Re-appointed October 27, 2016 until December 31, 2019
W. William Woods, Toronto, Ontario	Consultant, Independent Director, former CEO of Bermuda Stock Exchange	Originally appointed May 2009; Re-appointed January 1, 2016 until December 31, 2018.
Geoff Salmon, Barrie, Ontario	Managing Director Independent Review Inc.	Originally appointed: February 14, 2014. Re-appointed October 27, 2016 until December 31, 2017.

Eamonn McConnell's term was renewed on October 27, 2016 for a period of three years with effect from January 1, 2017. The re-appointment extended Mr. McConnell's total years of service beyond the 6 year term limit set out in the Instrument. However, the Manager has provided its consent to and agreement with the re-appointment beyond the 6 year term limit in accordance with the provisions of the Instrument.

Geoff Salmon's term was renewed on October 27, 2016 for a period of one year with effect from January 1, 2017.

Compensation and Indemnification

Review of Compensation

The IRC reviewed its compensation which included a consideration of:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and
- the complexity of the conflict issues brought to the IRC.

The IRC concluded that its fees were adequate at present.

Members' Fees

In aggregate the IRC members were paid \$30,000 in 2016, plus applicable taxes.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

Disclosure of IRC Members' Holdings

As at December 31, 2016, the IRC Members did not beneficially own, directly or indirectly:

- any units in any of the Funds;
- any interests in the Manager; or
- any interests in a company or person that provides services to the Manager or any Fund.

Decisions and Approvals

There were no decisions or approvals requested by the Manager during the Reporting Period.

Standing Instruction Approved

The IRC has approved one SI, which constitutes a written approval or decision from the IRC that permits the Manager to proceed with the specific action(s) set out in the SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

Standing Instruction No. 1: Omnibus.

This SI deals with a number of conflict of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Pricing Errors and other Errors
5. Distribution Issues
6. Showing Favouritism
7. Outsourcing to Third-Party Services
8. Personal Trading
9. Benchmarking Indices
10. Client Complaints
11. Capacity Issues

Manager's Report on its Standing Instruction

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SI during the Reporting Period. The Manager relied on the SI No. 1 during the Reporting Period.

Funds served by the IRC during the Reporting Period

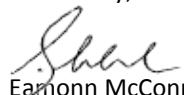
Next Edge AHL Fund (formerly Man Canada AHL DP Investment Fund)

Next Edge Theta Yield Fund (closed on September 20, 2016)

Next Edge Bio-Tech Plus Fund

This report is available on the Manager's website at <http://nextedgecapital.com/> or you may request a copy, at no cost to you, by contacting the Next Edge Funds at 1 877-860-1080 or email the Next Edge Funds at info@nextedgecapital.com. This document and other information about the Next Edge Funds, is available on www.sedar.com.

Yours truly,



Eamonn McConnell, Chair

Schedule of IRC Members who sit on IRCs for other Fund Families

Eamonn McConnell serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Integra Capital Limited;
Certain investment funds managed by Sprott Asset Management LP;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC;
Certain investment funds managed by Goodwood Inc.; and
Investment funds that are reporting issuers managed by Russell Investments Canada Limited.

W. William Woods serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Integra Capital Limited;
Certain investment funds managed by Sprott Asset Management LP;
Certain investment funds managed by Goodwood Inc.;
Investment funds that are reporting issuers managed by Picton Mahoney Asset Management Inc.;
Investment funds that are reporting issuers managed by Russell Investments Canada Limited;
Investment funds that are reporting issuers managed by The Knowledge First Foundation;
Investment funds that are reporting issuers managed by Onex Credit Partners, LLC;
Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P.;
Investment funds that are reporting issuers managed by Questrade Inc.;
Investment funds that are reporting issuers managed by Spartan Fund Management Inc.; and
Investment funds that are reporting issuers managed by Educators Financial Group Inc.
(Appointed January 1, 2017)

Geoff Salmon serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Federated Investors Canada ULC.;
Investment funds that are reporting issuers managed by Foresters Financial Investment Corporation of Canada Inc.;
Investment funds that are reporting issuers managed by Hamilton Capital Partners Inc.; and
Investment funds that are reporting issuers managed by Sphere Investment Management Inc.