

# Next Edge AHL Fund

Annual Management Report of Fund Performance – 2017



**NEXTEGE**  
CAPITAL

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](http://www.nextedgecapital.com) or SEDAR at [www.sedar.com](http://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

Annual management report of fund performance – December 31, 2017

Management discussion of fund performance

### Investment Objective and Strategies

Next Edge AHL 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’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.

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.

## Next Edge AHL Fund

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Management discussion of fund performance (continued)

### Results of Operations

The Fund had a positive return and experienced an increase in its net assets during the year ended December 31, 2017:

Class of redeemable units	December 31, 2017 NAV per unit (CAD) <sup>1,2</sup>	December 31, 2016 NAV per unit (CAD) <sup>1,2</sup>	% return for the year ended December 31, 2017 <sup>2</sup>
A	10.15	9.82	3.4%
B	10.13	9.82	3.2%
C	10.13	9.82	3.2%
F	11.32	10.81	4.7%
G	9.19	8.90	3.3%
H	11.61	10.97	5.8%
J	9.53	9.30	2.5%
K	9.90	9.56	3.6%
L	12.04	11.54	4.3%
M	12.76	12.06	5.8%

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*

2017 marked a watershed year as interest rates began to rise from their multi-year lows. Despite the US Federal Reserve ('Fed') starting to apply the brakes via three rate hikes, the lure of President Trump's stimulus programme propelled US equity indices to new highs and equity volatility, as measured by the VIX, to record lows. Across the Atlantic, Mario Draghi, President of the European Central Bank, signalled he wanted to taper its bond purchase programme in the future but did not hike rates.

In Japan, Prime Minister Shinzo Abe's decision to hold a snap election was vindicated by both his re-election and the Nikkei hitting 21-year highs. A similar strategy in the UK did not work out quite so well for Theresa May who now faces the twin headwinds of Brexit and a weakened majority in the years ahead.

Equities provided the dominant theme for the year. Indices advanced globally, shaking off concerns of nuclear war as North Korea continued to demonstrate ambitions of launching missiles capable of reaching the US. Corporate earnings were robust, particularly the tech sector. On October 27th alone, on earnings announcements, Amazon, Microsoft, Alphabet and Intel gained more than the market capitalisation of IBM.

The solid performance of equity markets is reflected in the significant attribution of that asset class in the Programme. In fact, trading from the other main asset classes, FX, fixed income, and commodities, led to losses.

Within the Programme, AHL trades both equity indices and baskets of cash equities, with the latter predominantly representing sectors. Risk allocation is shared roughly equally between them but in 2017 equity index trading significantly outperformed sector trading. With few exceptions, equity indices ended the year in positive territory but sector performance was more mixed.

In 2017 the Programme saw gains in each of the liquid CDS indices it trades, which we feel is not surprising given the clear year-long trend evident in investment-grade credit indices below.

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#### Management discussion of fund performance (continued)

In fixed income on the other hand, total returns of key markets were range-bound and profits were harder to find. In general, European instruments such as Italian government bonds fared better than US 10-year Treasuries where yields stayed in a 2.0% to 2.6% range. Once again, however, non-traditional markets such as interest-rate swaps ('IRS') in emerging markets exhibited diversifying behaviour. The total return of Brazilian IRS was hit hard by yet more Presidential impeachment news in May, but trended steadily after that and ended the year as one of the best performing fixed income instruments.

Within FX, emerging markets trading was generally more profitable than in developed markets, with the Mexican peso and Indian rupee being the standout performers. US dollar crosses versus the Japanese yen, British pound, and Canadian dollar proved more troublesome.

As an asset class, commodities were a difficult environment to find trends in 2017. Base metals were the only exception, with prices buoyed by growth in China, but energy markets as a whole performed worst. There were numerous oil headlines throughout the year, from OPEC production cuts to the clampdown of corruption in Saudi Arabia and, as the chart below shows, WTI crude oil finished the year roughly where it started. Although US natural gas was the worst performing market in the energy sector, trading in its UK and Dutch equivalents was positive in the second half of the year as prices rose around 30%. Once again another non-traditional market, coal, was the best performer in the asset class as prices rose fairly steadily post May in response to tighter global supply and decreasing stock levels.

#### 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.

The Fund has adopted accounting standards IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contracts with Customers* as of the effective date of January 1, 2018.

#### 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.

Total management fees for the year ended December 31, 2017 amounted to \$850,732 (2016: \$1,407,171) with \$3,932 in outstanding accrued fees due to the Manager at December 31, 2017 (December 31, 2016: \$59,142).

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.

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Management discussion of fund performance (continued)

The total remuneration paid to members of the Independent Review Committee during the year ended December 31, 2017 was \$30,524 (2016: \$48,256). There were no outstanding payables relating to Independent Review Committee fees as at December 31, 2017 and December 31, 2016.

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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, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2</sup>
<b>Net Assets per unit, beginning of period</b>	9.82	10.86	11.36	8.70	9.42
<b>Increase (decrease) from operations</b>					
Total revenue	0.07	0.05	0.05	0.03	0.02
Total expenses	(0.33)	(0.33)	(0.36)	(0.29)	(0.21)
Realized gains (losses) for the period	(0.24)	0.39	1.39	0.93	0.56
Unrealized gains (losses) for the period	0.80	(1.09)	(1.54)	2.00	(1.10)
<b>Total increase (decrease) from operations</b>	0.30	(0.98)	(0.46)	2.68	(0.73)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	10.15	9.82	10.86	11.36	8.70

#### Class B – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2</sup>
<b>Net Assets per unit, beginning of period</b>	9.82	10.87	11.38	8.71	9.43
<b>Increase (decrease) from operations</b>					
Total revenue	0.07	0.05	0.05	0.02	0.02
Total expenses	(0.34)	(0.34)	(0.37)	(0.28)	(0.22)
Realized gains (losses) for the period	(0.27)	0.43	1.43	0.84	0.57
Unrealized gains (losses) for the period	0.73	(1.05)	(1.55)	1.85	(1.13)
<b>Total increase (decrease) from operations</b>	0.19	(0.91)	(0.44)	2.43	(0.75)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	10.13	9.82	10.87	11.38	8.71

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Financial highlights (continued)

### Class C – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2</sup>
<b>Net Assets per unit, beginning of period</b>	9.82	10.86	11.37	8.71	9.42
<b>Increase (decrease) from operations</b>					
Total revenue	0.07	0.05	0.05	0.03	0.02
Total expenses	(0.34)	(0.28)	(0.38)	(0.29)	(0.22)
Realized gains (losses) for the period	(0.26)	0.41	1.42	0.92	0.61
Unrealized gains (losses) for the period	0.74	(1.13)	(1.54)	1.97	(1.13)
<b>Total increase (decrease) from operations</b>	0.21	(0.95)	(0.45)	2.63	(0.71)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	10.13	9.82	10.86	11.37	8.71

### Class F – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2</sup>
<b>Net Assets per unit, beginning of period</b>	10.81	11.81	12.19	9.19	9.81
<b>Increase (decrease) from operations</b>					
Total revenue	0.08	0.05	0.06	0.03	0.02
Total expenses	(0.22)	(0.20)	(0.23)	(0.15)	(0.09)
Realized gains (losses) for the period	(0.26)	0.37	1.48	0.95	0.53
Unrealized gains (losses) for the period	0.89	(1.24)	(1.68)	2.01	(1.10)
<b>Total increase (decrease) from operations</b>	0.49	(1.02)	(0.37)	2.84	(0.64)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	11.32	10.81	11.81	12.19	9.19

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Financial highlights (continued)

### Class G – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2</sup>
<b>Net Assets per unit, beginning of period</b>	8.90	9.90	10.37	7.94	8.60
<b>Increase (decrease) from operations</b>					
Total revenue	0.06	0.04	0.05	0.03	0.02
Total expenses	(0.30)	(0.30)	(0.36)	(0.27)	(0.20)
Realized gains (losses) for the period	(0.22)	0.42	1.46	0.83	0.54
Unrealized gains (losses) for the period	0.71	(1.05)	(1.78)	1.77	(1.00)
<b>Total increase (decrease) from operations</b>	0.25	(0.89)	(0.63)	2.36	(0.64)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	9.19	8.90	9.90	10.37	7.94

### Class H – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2, 5</sup>
<b>Net Assets per unit, beginning of period</b>	10.97	11.82	12.07	9.08	10.00
<b>Increase (decrease) from operations</b>					
Total revenue	0.08	0.05	0.06	0.05	-
Total expenses	(0.10)	(0.07)	(0.09)	(0.12)	(0.09)
Realized gains (losses) for the period	(0.26)	0.32	1.51	0.98	(1.06)
Unrealized gains (losses) for the period	0.90	(1.32)	(1.57)	2.66	0.11
<b>Total increase (decrease) from operations</b>	0.62	(1.02)	(0.09)	3.57	(1.04)
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	11.61	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, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1,4</sup>
<b>Net Assets per unit, beginning of period</b>	9.30	9.99	10.23	10.00
<b>Increase from operations</b>				
Total revenue	0.08	0.04	0.05	-
Total expenses	(0.29)	(0.28)	(0.32)	-
Realized gains for the period	(0.38)	-	0.40	0.01
Unrealized (losses) gains for the period	0.75	(0.28)	(0.38)	0.22
<b>Total increase (decrease) from operations</b>	0.16	(0.52)	(0.25)	0.23
<b>Distributions</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
<b>Total distributions</b>	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	9.53	9.30	9.99	10.23

### Class K – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1,4</sup>
<b>Net Assets per unit, beginning of period</b>	9.56	10.10	10.23	10.00
<b>Increase from operations</b>				
Total revenue	0.08	0.04	0.05	0.01
Total expenses	(0.19)	(0.17)	(0.20)	-
Realized gains for the period	(0.40)	(0.04)	0.36	0.01
Unrealized gains (losses) for the period	0.71	(0.13)	(0.14)	0.22
<b>Total increase from operations</b>	0.20	(0.30)	0.07	0.24
<b>Distributions</b>				
From income (excluding dividends)	-	-	-	-
From dividends	-	-	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
<b>Total distributions</b>	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	9.90	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, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2,5</sup>
<b>Net Assets per unit, beginning of period</b>	11.54	12.61	13.06	10.00	10.00
<b>Increase from operations</b>					
Total revenue	0.08	0.06	0.06	0.04	-
Total expenses	(0.27)	(0.25)	(0.28)	(0.34)	-
Realized gains for the period	(0.31)	0.43	1.46	0.63	-
Unrealized (losses) gains for the period	0.74	(1.33)	(2.00)	2.24	-
<b>Total increase (decrease) from operations</b>	0.24	(1.09)	(0.76)	2.57	-
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	12.04	11.54	12.61	13.06	10.00

### Class M – Net Assets per unit (CAD)

For the periods ended	Dec 31, 2017 <sup>1</sup>	Dec 31, 2016 <sup>1</sup>	Dec 31, 2015 <sup>1</sup>	Dec 31, 2014 <sup>1</sup>	Dec 31, 2013 <sup>2,5</sup>
<b>Net Assets per unit, beginning of period</b>	12.06	13.00	13.27	10.00	10.00
<b>Increase (decrease) from operations</b>					
Total revenue	0.08	0.06	0.06	0.05	-
Total expenses	(0.11)	(0.08)	(0.09)	(0.20)	-
Realized gains for the period	(0.29)	0.40	1.53	0.73	-
Unrealized (losses) gains for the period	0.99	(1.15)	(1.90)	2.60	-
<b>Total increase (decrease) from operations</b>	0.67	(0.77)	(0.40)	3.18	-
<b>Distributions</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total distributions</b>	-	-	-	-	-
<b>Net Assets per unit, end of period<sup>3</sup></b>	12.76	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, 2017, 2016, 2015, 2014 and 2013. Information related to the years ended December 31, 2017, 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 Underlying Fund'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

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#### Financial highlights (continued)

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.

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. 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.
4. Class J and K units were initially issued on December 16, 2014.
5. Class H was initially issued on February 14, 2013. Class L and M units were initially issued on December 30, 2013.

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

Financial highlights (continued)

### Class A – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3</sup>
Total NAV (CAD 000s) <sup>1</sup>	18,213	27,045	37,937	44,201	31,108
Number of units outstanding <sup>1</sup>	1,794,336	2,752,906	3,493,554	3,890,153	3,575,253
Management expense ratio <sup>5</sup>	5.66%	5.31%	8.15%	8.03%	5.59%
Management expense ratio before waivers or absorptions	5.66%	5.31%	8.15%	8.43%	5.59%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	10.15	9.82	10.86	11.36	8.70

### Class B – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3</sup>
Total NAV (CAD 000s) <sup>1</sup>	2,832	5,860	10,940	14,359	15,755
Number of units outstanding <sup>1</sup>	279,479	596,901	1,006,698	1,261,953	1,809,079
Management expense ratio <sup>5</sup>	5.79%	5.35%	8.22%	7.31%	5.61%
Management expense ratio before waivers or absorptions	5.79%	5.35%	8.22%	7.71%	5.61%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	10.13	9.82	10.87	11.38	8.71

### Class C – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3</sup>
Total NAV (CAD 000s) <sup>1</sup>	1,659	3,264	5,178	6,446	5,261
Number of units outstanding <sup>1</sup>	163,771	332,434	476,865	566,876	604,333
Management expense ratio <sup>5</sup>	5.81%	5.39%	8.25%	7.70%	5.62%
Management expense ratio before waivers or absorptions	5.81%	5.39%	8.25%	8.10%	5.62%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	10.13	9.82	10.86	11.37	8.71

### Class F – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3</sup>
Total NAV (CAD 000s) <sup>1</sup>	14,093	15,929	16,447	17,159	13,440
Number of units outstanding <sup>1</sup>	1,245,134	1,437,118	1,392,418	1,407,087	1,462,174
Management expense ratio <sup>5</sup>	4.36%	3.99%	6.79%	6.76%	4.15%
Management expense ratio before waivers or absorptions	4.36%	3.99%	6.79%	7.16%	4.15%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.32	10.81	11.81	12.19	9.19

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

Financial highlights (continued)

### Class G – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3</sup>
Total NAV (CAD 000s) <sup>1</sup>	442	708	1,555	4,614	3,972
Number of units outstanding <sup>1</sup>	48,074	79,602	157,086	445,036	500,246
Management expense ratio <sup>5</sup>	5.69%	5.29%	8.35%	7.68%	5.70%
Management expense ratio before waivers or absorptions	5.69%	5.29%	8.35%	8.08%	5.70%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	9.19	8.90	9.90	10.37	7.94

### Class H – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3, 8</sup>
Total NAV (CAD 000s) <sup>1</sup>	3,608	3,563	3,423	4,373	991
Number of units outstanding <sup>1</sup>	310,848	324,776	289,466	362,233	109,189
Management expense ratio <sup>5</sup>	3.25%	2.87%	5.69%	7.88%	1.23%
Management expense ratio before waivers or absorptions	3.25%	2.87%	5.69%	8.28%	1.23%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.61	10.97	11.82	12.07	9.08

### Class J – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2, 9</sup>
Total NAV (CAD 000s) <sup>1</sup>	2,522	4,698	8,853	19,347
Number of units outstanding <sup>1</sup>	264,715	505,200	886,213	1,891,444
Management expense ratio <sup>5</sup>	5.44%	5.04%	6.72%	10.32%
Management expense ratio before waivers or absorptions	5.44%	5.04%	6.72%	10.84%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.53	9.30	9.99	10.23

### Class K – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2, 9</sup>
Total NAV (CAD 000s) <sup>1</sup>	349	778	1,260	3,415
Number of units outstanding <sup>1</sup>	35,234	81,433	124,709	333,680
Management expense ratio <sup>5</sup>	4.33%	3.94%	5.63%	9.19%
Management expense ratio before waivers or absorptions	4.33%	3.94%	5.63%	9.71%
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.90	9.56	10.10	10.23

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

Financial highlights (continued)

### Class L – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3, 8</sup>
Total NAV (CAD 000s) <sup>1</sup>	715	1,058	1,131	629	537
Number of units outstanding <sup>1</sup>	59,404	91,675	89,639	48,198	53,740
Management expense ratio <sup>5</sup>	4.70%	4.30%	7.05%	7.45%	-
Management expense ratio before waivers or absorptions	4.70%	4.30%	7.05%	7.85%	-
Trading expense ratio <sup>6</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>7</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	12.04	11.54	12.61	13.06	10.00

### Class M – Ratios and Supplement Data:

For the periods ended	Dec 31, 2017 <sup>2</sup>	Dec 31, 2016 <sup>2</sup>	Dec 31, 2015 <sup>2</sup>	Dec 31, 2014 <sup>2</sup>	Dec 31, 2013 <sup>3, 8</sup>
Total NAV (CAD 000s) <sup>1</sup>	8,644	9,960	10,816	6,214	4,855
Number of units outstanding <sup>1</sup>	677,588	825,803	831,914	468,138	485,670
Management expense ratio <sup>4</sup>	3.30%	2.88%	5.64%	6.29%	-
Management expense ratio before waivers or absorptions	3.30%	2.88%	5.64%	6.69%	-
Trading expense ratio <sup>5</sup>	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate <sup>6</sup>	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	12.76	12.06	13.00	13.27	10.00

1. This information is provided as at and for the periods ended December 31, 2017, 2016, 2015, 2014, and 2013.
2. This information is derived from the Fund's audited financial statements for the year ended December 31, 2017, 2016, 2015, 2014 and 2013. Information related to the period ended December 31, 2017, 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 Underlying Fund'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. 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.
5. 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.
6. 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.
7. Class H was initially issued on February 14, 2013. Class L and M units were initially issued on December 30, 2013.
8. Class J and K units were initially issued on December 16, 2014.

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

Financial highlights (continued)

### Management Fees

For the year ended December 31, 2017, 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, 2017, are as follows:

#### As a percentage of management fees

<b>Class of units</b>	<b>Annual Rates</b>	<b>Dealer Compensation</b>	<b>General administration, investment advice and profit</b>
A	2.25%	55.56%	44.44%
B <sup>1</sup> (non-matured units)	2.25%	11.11%	88.89%
B <sup>1</sup> (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.

# Next Edge AHL Fund

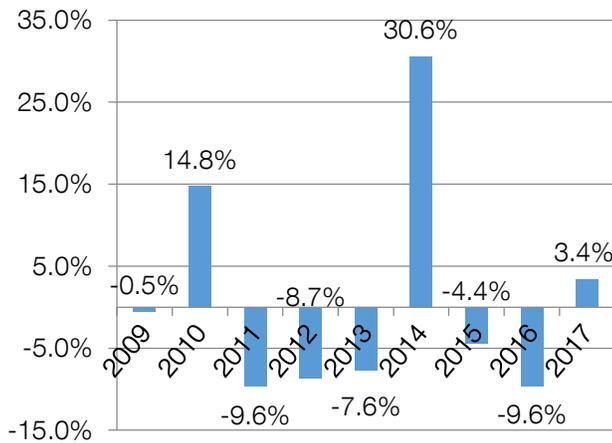
Annual management report of fund performance – December 31, 2017

Past performance

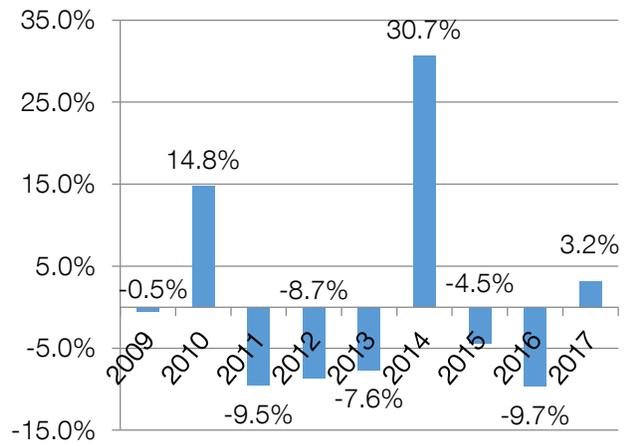
## Year-by-Year Returns<sup>1</sup>

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.

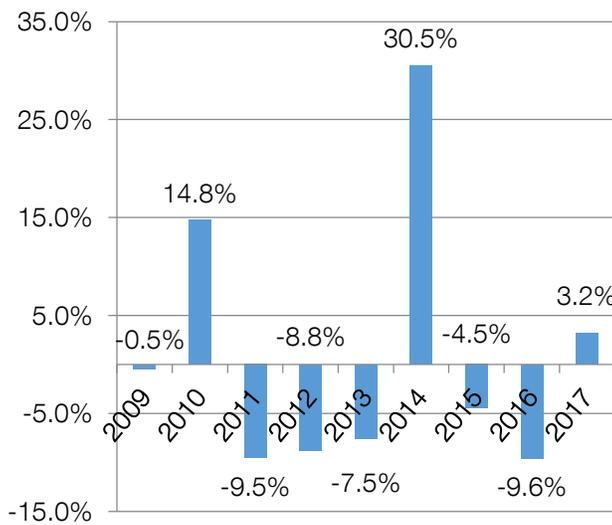
### Class A<sup>6</sup>



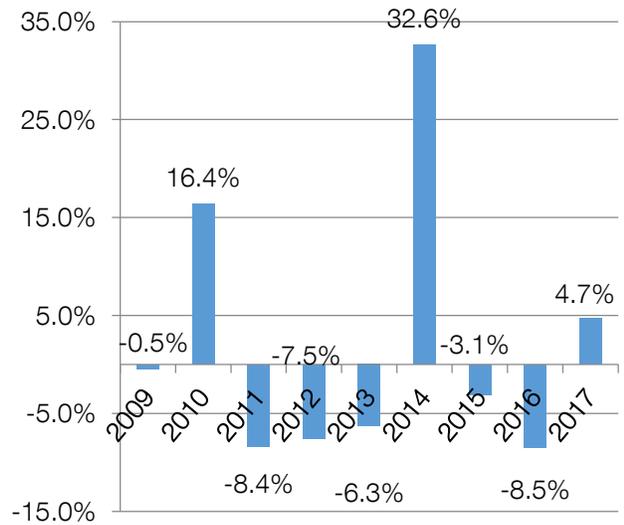
### Class B<sup>6</sup>



### Class C<sup>6</sup>



### Class F<sup>6</sup>

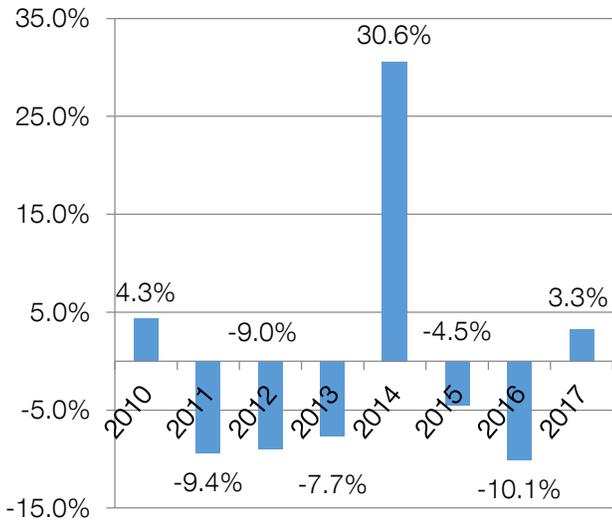


# Next Edge AHL Fund

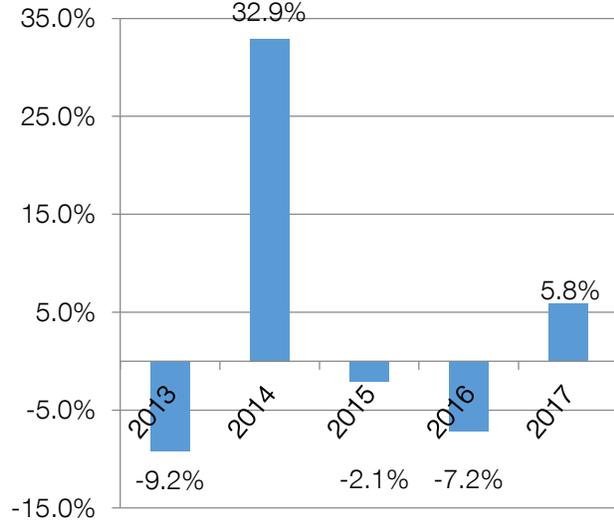
Annual management report of fund performance – December 31, 2017

Past performance (continued)

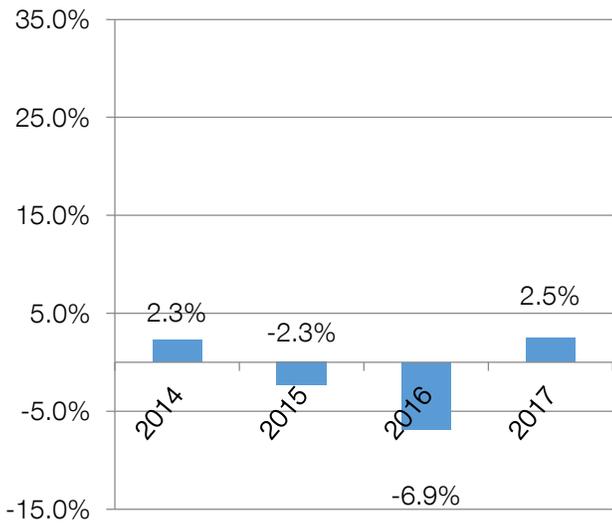
### Class G<sup>2</sup>



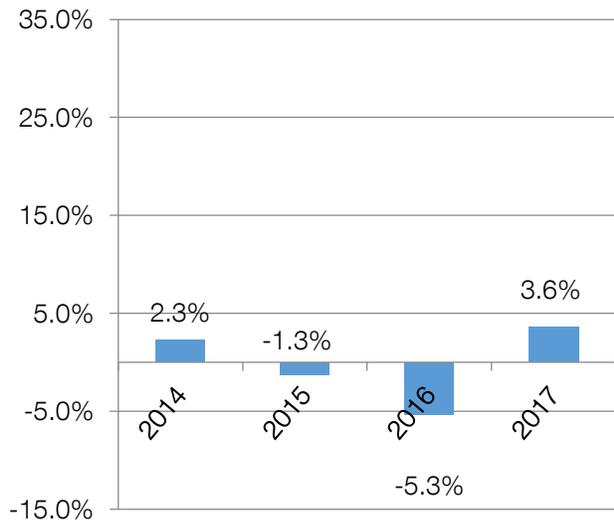
### Class H<sup>3</sup>



### Class J<sup>4</sup>



### Class K<sup>4</sup>

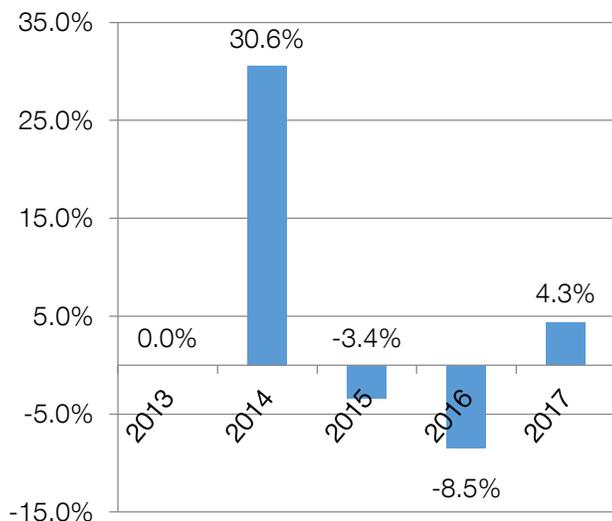


# Next Edge AHL Fund

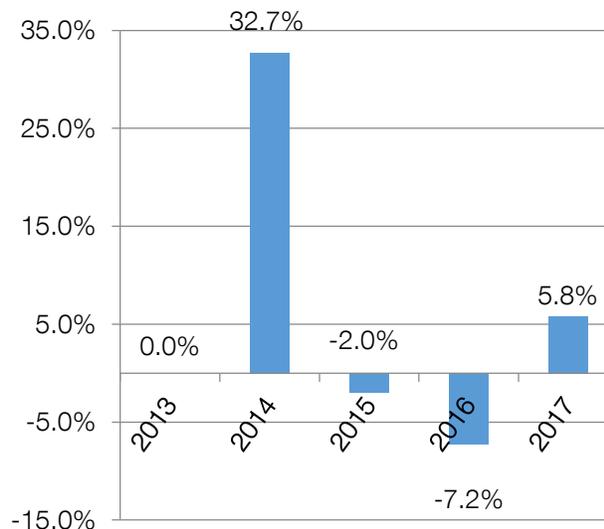
Annual management report of fund performance – December 31, 2017

Past performance (continued)

## Class L<sup>5</sup>



## Class M<sup>5</sup>



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.

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

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, 2017. 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 <sup>4</sup>
Class A Units <sup>1</sup>	3.4%	-3.7%	1.5%	N/A	0.2%
Class B Units <sup>1</sup>	3.2%	-3.8%	1.4%	N/A	0.2%
Class C Units <sup>1</sup>	3.2%	-3.8%	1.5%	N/A	0.2%
Class F Units <sup>1</sup>	4.7%	-2.4%	2.9%	N/A	1.5%
Class G Units <sup>1</sup>	3.3%	-3.9%	1.3%	N/A	-1.2%
Class H Units <sup>1</sup>	5.8%	-1.3%	N/A	N/A	3.1%
Class J Units <sup>1</sup>	2.5%	-2.3%	N/A	N/A	-1.6%
Class K Units <sup>1</sup>	3.6%	-1.1%	N/A	N/A	-0.3%
Class L Units <sup>1</sup>	4.3%	-2.7%	N/A	N/A	4.7%
Class M Units <sup>1</sup>	5.8%	-1.3%	N/A	N/A	6.3%
World Stocks <sup>2</sup>	22.4%	9.3%	11.6%	N/A	9.8%
Managed Futures <sup>3</sup>	-0.6%	-2.0%	1.3%	N/A	0.8%

Source: Next Edge database, Barclay Hedge, 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.

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, 2017.
2. World stocks index: MSCI World Net Total Return Index, the Inception date used is December 31, 2009.
3. Managed futures index: Barclay BTOP 50 Index. Inception date varies by class. For World Stocks, World Bonds, and Managed Futures, the Inception date used is December 31, 2009.
4. 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.

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

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, 2017 as posted on SEDAR.

### Portfolio Allocation

Asset Class	% of Net Asset Value <sup>2</sup>	Asset Class	% of Net Asset Value <sup>2</sup>
<b>Long positions</b>		<b>Short positions</b>	
Cash & equivalents <sup>3</sup>	74.52%	Currency	(16.54%)
Fund	21.94%	Interest rate	(2.00%)
Currency	15.61%	Energy	(1.16%)
Metal	3.45%	Stock index	(0.95%)
Stock index	2.54%	Agricultural	(0.88%)
Energy	2.14%	Metal	(0.81%)
Agricultural	1.85%		
Interest rate	1.05%		
<b>Total long</b>	<b>123.10%</b>	<b>Total short</b>	<b>(22.34%)</b>
Total investments	100.76%		
Other net liabilities	(0.76%)		
<b>Total Net Asset Value</b>	<b>100.00%</b>		

### Top 25 Long Positions

Issuer	% of Net Asset Value <sup>2</sup>
Investment in AHL Evolution Ltd <sup>4</sup>	21.94%
ZAR/USD Forward exchange contract	3.01%
CAD/USD Forward exchange contract	1.00%
PALLADIUM FUTURE Mar18	0.96%
PLN/USD Forward exchange contract	0.66%
COPPER FUTURE Mar18	0.61%
AUD/USD Forward exchange contract	0.57%
LME ALUMINUM FORWARD Mar18	0.56%
PLN/EUR Forward exchange contract	0.55%
KRW/USD Forward exchange contract	0.51%
COCOA FUTURE – ICE Mar18	0.50%
INR/USD Forward exchange contract	0.47%
FTSE 100 IDX FUT Mar18	0.40%
COTTON NO.2 FUTR Mar18	0.39%
LME ZINC FORWARD Mar18	0.37%
SDG/USD Forward exchange contract	0.33%
RUB/USD Forward exchange contract	0.33%
LME COPPER FORWARD Mar18	0.32%
BRENT CRUDE FUTR Mar18	0.32%
MSCI EmgMkt Mar18	0.32%
NY Harb ULSD Fut Feb18	0.31%
Low Su Gasoil G Jan18	0.29%
CLP/USD Forward exchange contract	0.28%
ZAR/USD Forward exchange contract	0.27%
DOLLAR INDEX Mar18	0.27%

## Next Edge AHL Fund

Annual management report of fund performance – December 31, 2017

Past performance (continued)

### Top 25 Short Positions

Issuer	% of Net Asset Value <sup>2</sup>
NATURAL GAS FUTR Feb18	(0.81%)
USD/NZD Forward exchange contract	(0.75%)
Euro-BTP Future Mar18	(0.66%)
MXN/USD Forward exchange contract	(0.64%)
Sugar #11 (WORLD) Mar18	(0.61%)
USD/EUR Forward exchange contract	(0.56%)
USD/AUD Forward exchange contract	(0.54%)
BRL/USD Forward exchange contract	(0.51%)
GBP/AUD Forward exchange contract	(0.48%)
USD/CAD Forward exchange contract	(0.44%)
USD/CHF Forward exchange contract	(0.42%)
USD/CAD Forward exchange contract	(0.42%)
USD/AUD Forward exchange contract	(0.42%)
JPY/EUR Forward exchange contract	(0.38%)
USD/Silver Forward commodity contract	(0.35%)
Euro-OAT Future Mar18	(0.33%)
EUR/AUD Forward exchange contract	(0.32%)
USD/CHF Forward exchange contract	(0.32%)
USD/GBP Forward exchange contract	(0.30%)
JPY/AUD Forward exchange contract	(0.30%)
USD/TRY Forward exchange contract	(0.29%)
USD/EUR Forward exchange contract	(0.26%)
USD/AUD Forward exchange contract	(0.25%)
JPY/USD Forward exchange contract	(0.25%)
USD/TRY Forward exchange contract	(0.24%)

### Total Net Asset Value of the Underlying Fund:

23,024,856 CAD<sup>1</sup>

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, 2017, 124,625 Class A shares with a Net Asset Value of approximately \$22.1 million representing 100% of the outstanding Class A shares, and 4,507 Class C shares with a Net Asset Value of approximately \$0.8 million representing 100% of the outstanding Class C Shares were issued to the Fund.
2. The percentage of the Asset 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.
3. Cash comprises cash in bank deposits and cash held with brokers in order to meet margin requirements.
4. Investment in AHL Evolution Ltd. is 9.52% of Net Asset Value of the Next Edge AHL Fund.

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General information

## MANAGER AND PRINCIPAL DISTRIBUTOR

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