

Next Edge AHL Fund

Semi-Annual Management Report of Fund Performance – 2018
For the six months ended June 30, 2018



This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements of the Next Edge AHL Fund (the “Fund”). You may obtain a copy of the semi-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.

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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. 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 six months. 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 six months ended June 30, 2018:

Class of redeemable units	June 30, 2018 NAV per unit (CAD) ^{1,2}	December 31, 2017 NAV per unit (CAD) ^{1,2}	% return for the six months ended June 30, 2018 ²
A	9.60	10.15	(5.4%)
B	9.57	10.13	(5.5%)
C	9.57	10.13	(5.5%)
F	10.77	11.32	(4.9%)
G	8.69	9.19	(5.4%)
H	11.11	11.61	(4.3%)
J	9.21	9.53	(3.4%)
K	9.63	9.90	(2.7%)
L	11.44	12.04	(5.0%)
M	12.20	12.76	(4.4%)

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

The Programme sustained a loss for the first half of 2018, which was broadly in line with trend-following indices when adjusted for volatility.

The strongest performing sector on the half-year was fixed income where shorts in both the Euro-Dollar contract and the US 10yr Treasury generated the largest gains. Rate hikes by the US Federal Reserve as well as indications of a further two hikes in 2018 helped to drive bond prices lower. Currencies were the second best performing sector as the Programme shifted into long US Dollar positions in Q2. The top contributing market for currencies was long US Dollar versus the Brazilian Real. A long in US Dollar against the Euro produced the next largest gains.

On the negative side of the ledger, Stocks generated the largest losses as a result of the strong reversal in February as well as on concerns of a global trade war heating up. VIX Volatility Index shorts detracted from performance the most in the sector—particularly in February. Longs in the Euro-STOXX index detracted second most in the sector. Commodities were the 2nd worst performing sector in H1. Leading losses were longs in Copper followed by shorts in Natural Gas. Lastly, Credit detracted with US and European 5yr investment grade indices producing the largest losses. Positioning was short protection in both markets for the bulk of the quarter.

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* as of the effective date of January 1, 2018. There was no impact on the Net Assets and the results of the Fund from the adoption of IFRS 9. The adoption of IFRS 9 has been applied retrospectively and did not result in any changes in the prior period.

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Management discussion of fund performance (continued)

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 six months ended June 30, 2018 amounted to \$330,865 (2017: \$466,782) with \$3,683 in outstanding accrued fees due to the Manager at June 30, 2018 (December 31, 2017: \$2,193).

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 six months ended June 30, 2018 was \$17,932 (2017: \$23,578). There were no outstanding payables relating to Independent Review Committee fees as at June 30, 2018 and December 31, 2017.

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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 for the six months ended June 30, 2018; and years ended December 31 for 2017, 2016, 2015, 2014, and 2013.

Class A – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	10.15	9.82	10.86	11.36	8.70	9.42
Increase (decrease) from operations						
Total revenue	0.04	0.07	0.05	0.05	0.03	0.02
Total expenses	(0.16)	(0.33)	(0.33)	(0.36)	(0.29)	(0.21)
Realized gains (losses) for the period	0.05	(0.24)	0.39	1.39	0.93	0.56
Unrealized gains (losses) for the period	(0.50)	0.80	(1.09)	(1.54)	2.00	(1.10)
Total increase (decrease) from operations	(0.57)	0.30	(0.98)	(0.46)	2.68	(0.73)
Distributions						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions	-	-	-	-	-	-
Net Assets per unit, end of period³	9.60	10.15	9.82	10.86	11.36	8.70

Class B – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	10.13	9.82	10.87	11.38	8.71	9.43
Increase (decrease) from operations						
Total revenue	0.04	0.07	0.05	0.05	0.02	0.02
Total expenses	(0.17)	(0.34)	(0.34)	(0.37)	(0.28)	(0.22)
Realized gains (losses) for the period	0.05	(0.27)	0.43	1.43	0.84	0.57
Unrealized gains (losses) for the period	(0.43)	0.73	(1.05)	(1.55)	1.85	(1.13)
Total increase (decrease) from operations	(0.51)	0.19	(0.91)	(0.44)	2.43	(0.75)
Distributions						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions	-	-	-	-	-	-
Net Assets per unit, end of period³	9.57	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	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	10.13	9.82	10.86	11.37	8.71	9.42
Increase (decrease) from operations						
Total revenue	0.03	0.07	0.05	0.05	0.03	0.02
Total expenses	(0.17)	(0.34)	(0.28)	(0.38)	(0.29)	(0.22)
Realized gains (losses) for the period	0.06	(0.26)	0.41	1.42	0.92	0.61
Unrealized gains (losses) for the period	(0.43)	0.74	(1.13)	(1.54)	1.97	(1.13)
Total increase (decrease) from operations	(0.51)	0.21	(0.95)	(0.45)	2.63	(0.71)
Distributions						
From income (excluding dividends)		-	-	-	-	-
From dividends		-	-	-	-	-
From capital gains		-	-	-	-	-
Return of capital		-	-	-	-	-
Total distributions		-	-	-	-	-
Net Assets per unit, end of period³	9.57	10.13	9.82	10.86	11.37	8.71

Class F – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	11.32	10.81	11.81	12.19	9.19	9.81
Increase (decrease) from operations						
Total revenue	0.04	0.08	0.05	0.06	0.03	0.02
Total expenses	(0.11)	(0.22)	(0.20)	(0.23)	(0.15)	(0.09)
Realized gains (losses) for the period	0.06	(0.26)	0.37	1.48	0.95	0.53
Unrealized gains (losses) for the period	(0.55)	0.89	(1.24)	(1.68)	2.01	(1.10)
Total increase (decrease) from operations	(0.56)	0.49	(1.02)	(0.37)	2.84	(0.64)
Distributions						
From income (excluding dividends)		-	-	-	-	-
From dividends		-	-	-	-	-
From capital gains		-	-	-	-	-
Return of capital		-	-	-	-	-
Total distributions		-	-	-	-	-
Net Assets per unit, end of period³	10.77	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	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	9.19	8.90	9.90	10.37	7.94	8.60
Increase (decrease) from operations						
Total revenue	0.03	0.06	0.04	0.05	0.03	0.02
Total expenses	(0.14)	(0.30)	(0.30)	(0.36)	(0.27)	(0.20)
Realized gains (losses) for the period	0.05	(0.22)	0.42	1.46	0.83	0.54
Unrealized gains (losses) for the period	(0.47)	0.71	(1.05)	(1.78)	1.77	(1.00)
Total increase (decrease) from operations	(0.53)	0.25	(0.89)	(0.63)	2.36	(0.64)
Distributions						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total distributions	-	-	-	-	-	-
Net Assets per unit, end of period ³	8.69	9.19	8.90	9.90	10.37	7.94

Class H – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{2, 5}
Net Assets per unit, beginning of period	11.61	10.97	11.82	12.07	9.08	10.00
Increase (decrease) from operations						
Total revenue	0.05	0.08	0.05	0.06	0.05	-
Total expenses	(0.05)	(0.10)	(0.07)	(0.09)	(0.12)	(0.09)
Realized gains (losses) for the period	0.09	(0.26)	0.32	1.51	0.98	(1.06)
Unrealized gains (losses) for the period	(0.68)	0.90	(1.32)	(1.57)	2.66	0.11
Total increase (decrease) from operations	(0.59)	0.62	(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 period ³	11.11	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	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1, 4}
Net Assets per unit, beginning of period	9.53	9.30	9.99	10.23	10.00
Increase from operations					
Total revenue	0.05	0.08	0.04	0.05	-
Total expenses	(0.15)	(0.29)	(0.28)	(0.32)	-
Realized gains for the period	0.04	(0.38)	-	0.40	0.01
Unrealized (losses) gains for the period	(0.25)	0.75	(0.28)	(0.38)	0.22
Total increase (decrease) from operations	(0.31)	0.16	(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 period³	9.21	9.53	9.30	9.99	10.23

Class K – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1, 4}
Net Assets per unit, beginning of period	9.90	9.56	10.10	10.23	10.00
Increase from operations					
Total revenue	0.04	0.08	0.04	0.05	0.01
Total expenses	(0.10)	(0.19)	(0.17)	(0.20)	-
Realized gains for the period	0.05	(0.40)	(0.04)	0.36	0.01
Unrealized gains (losses) for the period	(0.26)	0.71	(0.13)	(0.14)	0.22
Total increase from operations	(0.27)	0.20	(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 period³	9.63	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	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	12.04	11.54	12.61	13.06	10.00	10.00
Increase from operations						
Total revenue	0.05	0.08	0.06	0.06	0.04	-
Total expenses	(0.14)	(0.27)	(0.25)	(0.28)	(0.34)	-
Realized gains for the period	0.05	(0.31)	0.43	1.46	0.63	-
Unrealized (losses) gains for the period	(0.56)	0.74	(1.33)	(2.00)	2.24	-
Total increase (decrease) from operations	(0.60)	0.24	(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 period³	11.44	12.04	11.54	12.61	13.06	10.00

Class M – Net Assets per unit (CAD)

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Net Assets per unit, beginning of period	12.76	12.06	13.00	13.27	10.00	10.00
Increase (decrease) from operations						
Total revenue	0.05	0.08	0.06	0.06	0.05	-
Total expenses	(0.06)	(0.11)	(0.08)	(0.09)	(0.20)	-
Realized gains for the period	0.06	(0.29)	0.40	1.53	0.73	-
Unrealized (losses) gains for the period	(0.63)	0.99	(1.15)	(1.90)	2.60	-
Total increase (decrease) from operations	(0.58)	0.67	(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 period³	12.20	12.76	12.06	13.00	13.27	10.00

1. This information is derived from the Fund's semi-annual financial statements for the six months ended June 30, 2018 and 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.

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Financial highlights (continued)

Class A – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	15,482	18,213	27,045	37,937	44,201	31,108
Number of units outstanding ¹	1,612,893	1,794,336	2,752,906	3,493,554	3,890,153	3,575,253
Management expense ratio ³	5.23%	5.66%	5.31%	8.15%	8.03%	5.59%
Management expense ratio before waivers or absorptions	5.23%	5.66%	5.31%	8.15%	8.43%	5.59%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	9.60	10.15	9.82	10.86	11.36	8.70

Class B – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	2,283	2,832	5,860	10,940	14,359	15,755
Number of units outstanding ¹	238,434	279,479	596,901	1,006,698	1,261,953	1,809,079
Management expense ratio ³	5.37%	5.79%	5.35%	8.22%	7.31%	5.61%
Management expense ratio before waivers or absorptions	5.37%	5.79%	5.35%	8.22%	7.71%	5.61%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	9.57	10.13	9.82	10.87	11.38	8.71

Class C – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	1,131	1,659	3,264	5,178	6,446	5,261
Number of units outstanding ¹	118,228	163,771	332,434	476,865	566,876	604,333
Management expense ratio ³	5.39%	5.81%	5.39%	8.25%	7.70%	5.62%
Management expense ratio before waivers or absorptions	5.39%	5.81%	5.39%	8.25%	8.10%	5.62%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	9.57	10.13	9.82	10.86	11.37	8.71

Class F – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	12,150	14,093	15,929	16,447	17,159	13,440
Number of units outstanding ¹	1,127,897	1,245,134	1,437,118	1,392,418	1,407,087	1,462,174
Management expense ratio ³	3.94%	4.36%	3.99%	6.79%	6.76%	4.15%
Management expense ratio before waivers or absorptions	3.94%	4.36%	3.99%	6.79%	7.16%	4.15%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	10.77	11.32	10.81	11.81	12.19	9.19

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Financial highlights (continued)

Class G – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	332	442	708	1,555	4,614	3,972
Number of units outstanding ¹	38,247	48,074	79,602	157,086	445,036	500,246
Management expense ratio ³	5.29%	5.69%	5.29%	8.35%	7.68%	5.70%
Management expense ratio before waivers or absorptions	5.29%	5.69%	5.29%	8.35%	8.08%	5.70%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	8.69	9.19	8.90	9.90	10.37	7.94

Class H – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{1,2,6}
Total NAV (CAD 000s) ¹	2,394	3,608	3,563	3,423	4,373	991
Number of units outstanding ¹	215,505	310,848	324,776	289,466	362,233	109,189
Management expense ratio ³	2.84%	3.25%	2.87%	5.69%	7.88%	1.23%
Management expense ratio before waivers or absorptions	2.84%	3.25%	2.87%	5.69%	8.28%	1.23%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.11	11.61	10.97	11.82	12.07	9.08

Class J – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1,2,7}
Total NAV (CAD 000s) ¹	2,022	2,522	4,698	8,853	19,347
Number of units outstanding ¹	219,482	264,715	505,200	886,213	1,891,444
Management expense ratio ³	5.05%	5.44%	5.04%	6.72%	10.32%
Management expense ratio before waivers or absorptions	5.05%	5.44%	5.04%	6.72%	10.84%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.21	9.53	9.30	9.99	10.23

Class K – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ^{1,2,7}
Total NAV (CAD 000s) ¹	284	349	778	1,260	3,415
Number of units outstanding ¹	29,509	35,234	81,433	124,709	333,680
Management expense ratio ³	3.91%	4.33%	3.94%	5.63%	9.19%
Management expense ratio before waivers or absorptions	3.91%	4.33%	3.94%	5.63%	9.71%
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%
NAV per unit (CAD)	9.63	9.90	9.56	10.10	10.23

Next Edge AHL Fund

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Financial highlights (continued)

Class L – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ^{1,2}
Total NAV (CAD 000s) ¹	675	715	1,058	1,131	629	537
Number of units outstanding ¹	59,044	59,404	91,675	89,639	48,198	53,740
Management expense ratio ³	4.28%	4.70%	4.30%	7.05%	7.45%	-
Management expense ratio before waivers or absorptions	4.28%	4.70%	4.30%	7.05%	7.85%	-
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	11.44	12.04	11.54	12.61	13.06	10.00

Class M – Ratios and Supplement Data:

For the periods ended	Jun 30, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹	Dec 31, 2014 ¹	Dec 31, 2013 ²
Total NAV (CAD 000s) ¹	7,506	8,644	9,960	10,816	6,214	4,855
Number of units outstanding ¹	615,019	677,588	825,803	831,914	468,138	485,670
Management expense ratio ³	2.90%	3.30%	2.88%	5.64%	6.29%	-
Management expense ratio before waivers or absorptions	2.90%	3.30%	2.88%	5.64%	6.69%	-
Trading expense ratio ⁴	0.01%	0.00%	0.02%	0.02%	0.04%	0.92%
Portfolio turnover rate ⁵	28.75%	70.24%	84.69%	80.01%	67.15%	31.14%
NAV per unit (CAD)	12.20	12.76	12.06	13.00	13.27	10.00

1. This information is derived from the Fund's unaudited financial statements for the six months ended June 30, 2018 and 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.
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 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.
3. 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.
4. 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.
5. 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.
6. Class H was initially issued on February 14, 2013. Class L and M units were initially issued on December 30, 2013.
7. Class J and K units were initially issued on December 16, 2014.

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Financial highlights (continued)

Management Fees

For the six months ended June 30, 2018, 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 six months ended June 30, 2018, 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.

Next Edge AHL Fund

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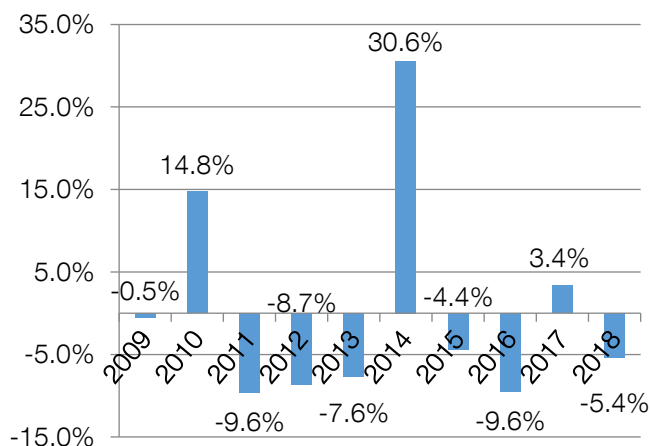
Past performance

Year-by-Year Returns¹

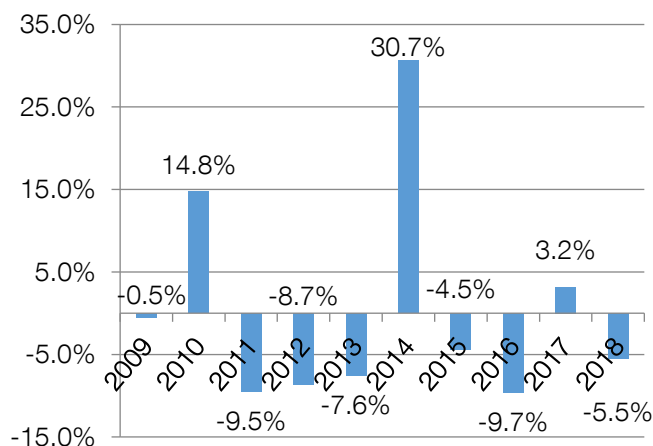
Reported returns are from December 1, 2009 (the Fund's inception date) to December 31, 2009; January 1, 2010 to December 31, 2010; January 1, 2011 to December 31, 2011; January 1, 2012 to December 31, 2012; January 1, 2013 to December 31, 2013; January 1, 2014 to December 31, 2014; January 1, 2015 to December 31, 2015; January 1, 2016 to December 31, 2016; January 1, 2017 to December 31, 2017; and January 1, 2018 to June 30, 2018 and as applicable.

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.

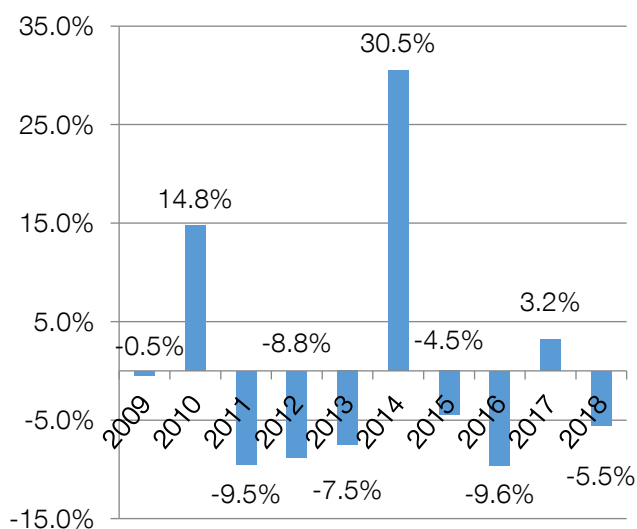
Class A⁶



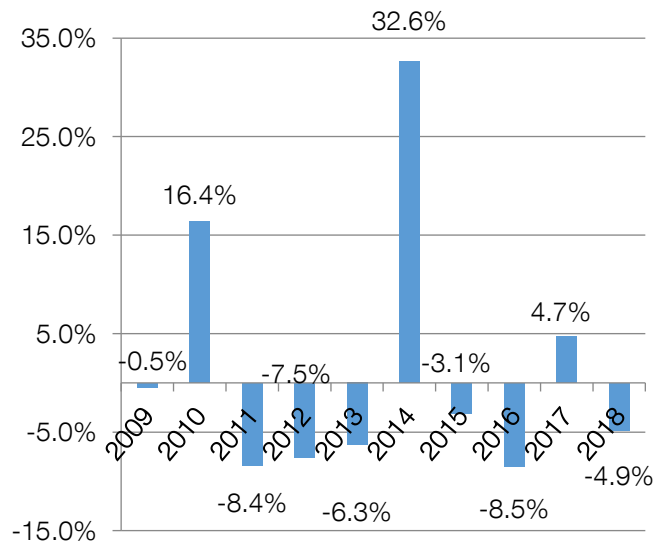
Class B⁶



Class C⁶



Class F⁶

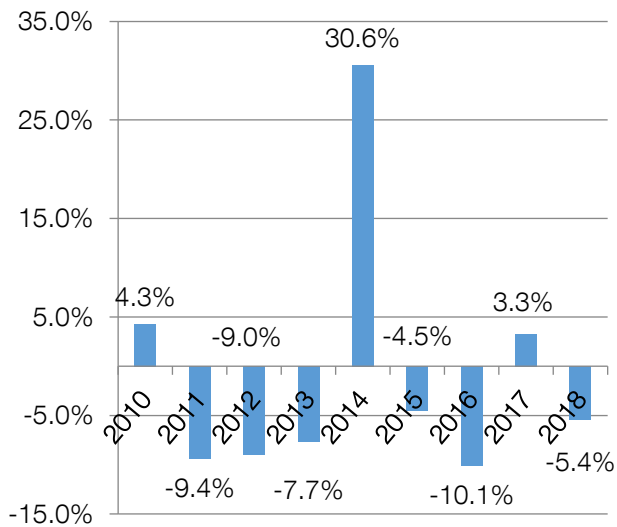


Next Edge AHL Fund

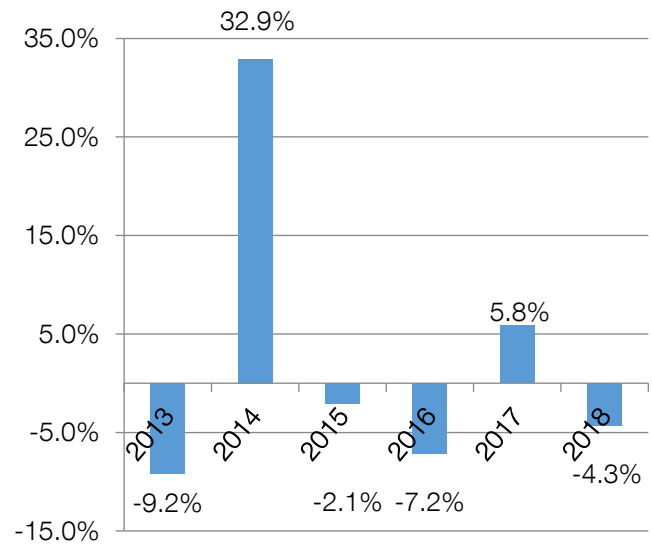
Semi-annual management report of fund performance – June 30, 2018

Past performance (continued)

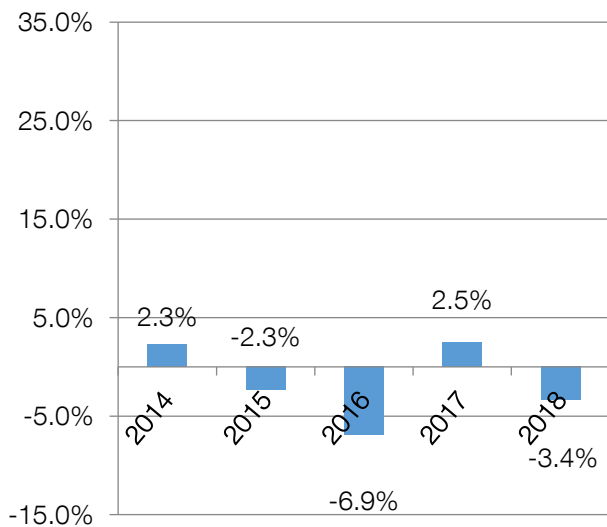
Class G²



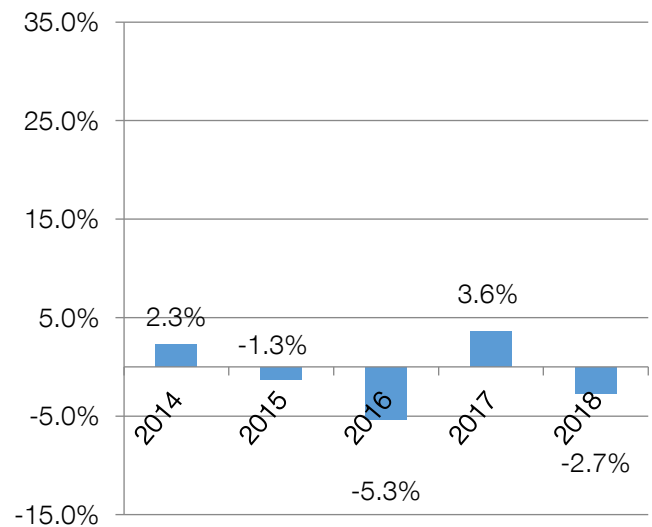
Class H³



Class J⁴



Class K⁴

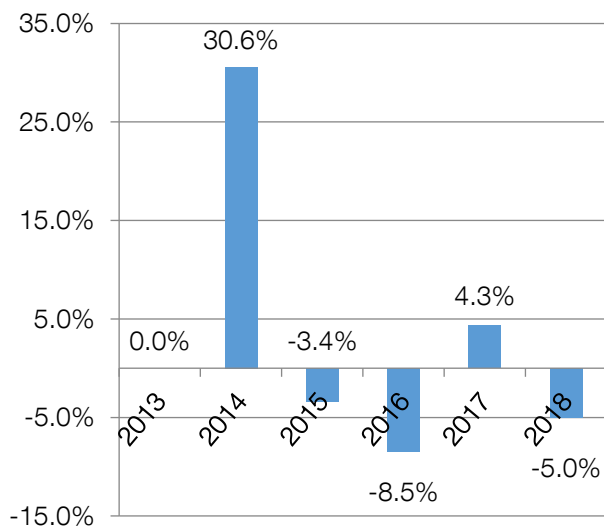


Next Edge AHL Fund

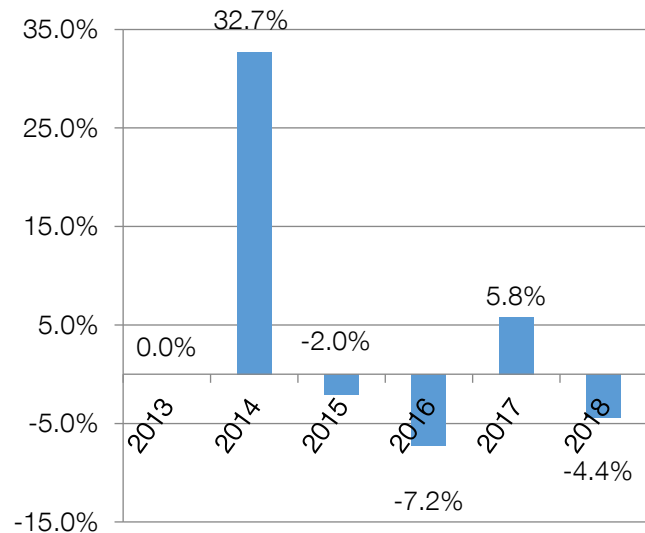
Semi-annual management report of fund performance – June 30, 2018

Past performance (continued)

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.

Next Edge AHL Fund

Semi-annual management report of fund performance – June 30, 2018

Summary of investment portfolio

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 six months ended June 30, 2018 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 ³	70.67%	Currency	(13.47%)
Fund	20.33%	Agricultural	(0.43%)
Currency	16.68%	Stock index	(0.99%)
Energy	2.76%	Metal	(0.45%)
Interest rate	2.74%	Energy	(0.30%)
Agricultural	2.06%	Interest rate	(0.30%)
Metal	0.73%		
Stock index	0.68%		
Total long	116.65%	Total short	(15.94%)
Total investments	100.71%		
Other net liabilities	(0.71%)		
Total Net Asset Value	100.00%		

Top 25 Long Positions

Issuer	% of Net Asset Value ²
Investment in AHL Evolution Ltd ⁴	20.00%
CAD/USD Forward exchange contract	1.00%
USD/GBP Forward exchange contract	1.00%
USD/AUD Forward exchange contract	1.00%
WTI CRUDE FUTURE Aug18	0.64%
CORN FUTURE Dec18	0.64%
BRENT CRUDE FUTR Dec20	0.50%
EURO-BUND FUTURE Sep18	0.46%
BRENT CRUDE FUTR Dec18	0.34%
KOSPI2 INX FUT Sep18	0.32%
WTI CRUDE FUTURE Dec20	0.31%
RED WHEAT FUT MGE Sep18	0.30%
CORN FUTURE Sep18	0.28%
Euro-OAT Future Sep18	0.27%
KOREA 3YR BND FUT Sep18	0.22%
3MO EURO EURIBOR Sep19	0.21%
3MO EURO EURIBOR Jun20	0.21%
NY Harb ULSD FUT Aug18	0.20%
EURO-BOBL FUTURE Sep18	0.17%
SOYBEAN FUTURE Nov18	0.17%
SOYBEAN MEAL FUTR Dec18	0.17%
AUST 3YR BOND FUT Sep18	0.15%
GASOLINE RBOB FUT Aug18	0.15%
COFFEE 'C' FUTURE Sep18	0.15%
SPI 200 FUTURES Sep18	0.14%

Next Edge AHL Fund

Semi-annual management report of fund performance – June 30, 2018

Summary of investment portfolio (continued)

Top 25 Short Positions

Issuer	% of Net Asset Value ²
CLP/USD Forward exchange contract	(2.22%)
ZAR/USD Forward exchange contract	(1.42%)
RUB/USD Forward exchange contract	(0.79%)
BRL/USD Forward exchange contract	(0.69%)
EUR/CHF Forward exchange contract	(0.50%)
GBP/EUR Forward exchange contract	(0.45%)
SEK/EUR Forward exchange contract	(0.38%)
PLN/EUR Forward exchange contract	(0.38%)
JPY/EUR Forward exchange contract	(0.36%)
BRL/USD Forward exchange contract	(0.33%)
JPY/EUR Forward exchange contract	(0.28%)
NZD/USD Forward exchange contract	(0.27%)
Silver/USD Forward commodity contract	(0.24%)
NZD/USD Forward exchange contract	(0.23%)
CAD/EUR Forward exchange contract	(0.23%)
AUD/EUR Forward exchange contract	(0.23%)
BRL/USD Forward exchange contract	(0.23%)
CLP/USD Forward exchange contract	(0.23%)
COTTON NO.2 FUTR Dec18	(0.18%)
E-Mini Russ 2000 Sep18	(0.18%)
AUD/EUR Forward exchange contract	(0.17%)
PLN/EUR Forward exchange contract	(0.16%)
S&P500 EMINI FUT Sep18	(0.16%)
CAD/USD Forward exchange contract	(0.14%)
CNH/USD Forward exchange contract	(0.14%)

Total Net Asset Value of the Underlying Fund:

19,422,384 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 June 30, 2018, 122,601 Class A shares with a Net Asset Value of approximately \$18.7 million representing 100% of the outstanding Class A shares, and 4,128 Class C shares with a Net Asset Value of approximately \$0.7 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 8.78% of Net Asset Value of the Next Edge AHL Fund.

Next Edge AHL Fund

Semi-annual management report of fund performance – June 30, 2018

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