



Next Edge Private Debt Fund

April 7, 2020

An open-ended investment product that offers investors access to investments in predominantly secured, short-term loans through experienced credit advisors, with independent oversight.

MARCH PERFORMANCE GUIDANCE

Based on the heightened level of concern in the marketplace, the management and senior credit team members have reviewed the Next Edge Private Debt Fund's underlying portfolio (the "**Portfolio**") with the notion of providing early guidance on March performance and the general health of the Portfolio. Although the current state of the economic environment is unprecedented and full of uncertainty, vast amounts of time have been spent speaking with our debtor clients to understand each of their unique challenges. This allows us to respond in an informed and prudent, yet solution-oriented manner.

In spite of the state of the macro economic environment, in general, we are very comfortable with the current health of the Portfolio. That being said, there are some areas of stress that we are seeing in certain positions within the Portfolio. As such, we feel it is prudent to take some small loss provisions in March based on a number of factors directly associated with certain loans and factoring files. These provisions are related to the extended aging and health of certain receivables, uninsured receivables exposure, and the deterioration of collateral in certain circumstances.

Based on these provisions and the data that we have at our disposal on the Portfolio at the time of writing of this update, we are guiding March performance to be in a range of positive 20-40 bps on the Next Edge Private Debt Fund (the "**Fund**") Class F1 Units. As with each month's Fund NAV, we feel that this is a reflection of the current value of the Portfolio taking into consideration the health of our debtor clients and the collateral backing these loans. We anticipate distributing the official March 31, 2020 NAV on or about April 22.

For those that may have missed it, I encourage you to read the most recent Portfolio update (attached) that remains very relevant. Since then, we have seen a reduction in uninsured receivables exposure in addition to a reduction in exposure to hard hit sectors (aviation, energy). We do not foresee any major issues developing within the Portfolio.

All redemptions placed in March and going forward will be settled as per the terms of the Fund's Offering Memorandum (OM), which is monthly liquidity with 90 days notice. This will afford us with sufficient time to gauge the full impact to the Portfolio of the current environment prior to settling any current redemptions. Although all efforts will be made to fulfill Unitholder redemptions, no compromise will be made to alter the composition of the Portfolio or that would be detrimental to the remaining Unitholders of the Fund in order to do so. In addition, should redemptions continue at an elevated level we may have to consider closing the Fund to all redemptions (including those to be redeemed in March 2020 for trade date June 30, 2020) and treating all clients equally and distributing out the proceeds on a prorata basis.

In comparison to the volatility and downward price movements seen in many other areas during the month of March, we believe that the Fund offers a very compelling risk-reward scenario for investors. In addition, although capital-constrained with our priority being to support existing end debtors and meeting Fund Unitholder redemption requests, compelling new loan opportunities are being provided to us with attractive terms. We are hopeful that an increase in our current credit facility, in addition to new investors into the Fund, will allow us to be able to capitalize on these opportunities.

IMPORTANT NOTES

The information provided herein is for information purposes only and does not constitute a solicitation, public offering, advice or recommendations to buy or sell interests in the Fund, the Portfolio, Units or any other Next Edge Product. The information contained in this material is subject to change without notice and Next Edge Capital Corp. (the “**Company**”) will not be held liable for any inaccuracies or misprints.

Cautionary Note Regarding Forward-Looking Statements

The above update may contain forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company 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 Company) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Company based on information currently available to the Company.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company 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 Company.

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, liquidity 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.

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