ALTERNATIVE MUTUAL FUND

NEXT EDGE AHL FUND

Offering of Class A, Class F, Class H, Class J, Class K, Class L and Class M Units

SIMPLIFIED PROSPECTUS

The Fund and the units of the Fund are offered under this document in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada. The units offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

Dated July 30, 2019

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PART A: GENERAL DISCLOSURE

INTRODUCTION

To make this document easier to read, we use the following terms throughout:

- **We**, **us**, **our, Manager** and **Next Edge** refer to Next Edge Capital Corp. in its capacity as trustee, manager and portfolio manager of the Fund.
- **You** refers to an individual investor and everyone who invests or may invest in the Fund.
- **AHL DP Limited** means Man AHL DP Limited, an exempted company incorporated in the Cayman Islands, in which the Fund invests substantially all of its assets in order to obtain exposure to the AHL Diversified Programme.
- **AHL DP Shares** refer to the Class A CAD Shares, Class C CAD Shares and any other class or series of redeemable non-voting participating shares issued by AHL DP Limited.
- **AHL Diversified Programme** refers to a predominantly trend-following trading program implemented and managed by the Investment Manager that invests in a portfolio of futures, options and forward contracts, swaps and other financial derivative instruments both on and off-exchange.
- **AHL DP Manager** refers to Man Fund Management (Guernsey) Limited, a company incorporated in Guernsey in its capacity as manager of AHL DP Limited.
- **AHL Evolution Shares** refers to a class or series of participating shares of AHL Evolution Limited, in which AHL DP Limited invests a potion of the Underlying Assets in order to obtain exposure to the AHL Evolution Programme.
- **AHL Evolution Programme** refers to a trading program that invests in a portfolio of futures, forward contracts, swaps and other financial derivative instruments both on and off exchange. The AHL Evolution Programme trades in a number of markets not traditionally accessed by the AHL Diversified Programme.
- **Business Day** refers to any day except Saturdays, Sundays or a statutory holiday in Dublin, London, New York or Toronto.
- **Dealer** refers to both the dealer and the registered representative in your province or territory who advises you on your investments.
- **Declaration of Trust** means the amended and restated declaration of trust governing the Fund, as it may be amended or amended and restated from time to time
- **Fund** refers to the **Next Edge AHL Fund** offered to the public under this Simplified Prospectus. The Fund is an alternative mutual fund which is subject to National Instrument 81-101 *Mutual Fund Simplified Prospectus Disclosure* ("**NI 81-101**"), National Instrument 81-102 *Investment Funds* ("**NI 81-102**") and National Instrument 81-104 *Alternative Mutual Funds* ("**NI 81-104**").
- **Investment Manager** refers to AHL Partners LLP in its capacity as portfolio manager of AHL DP Limited.
- **Simplified Prospectus** refers to this Simplified Prospectus.
- **Registered Plans** refer to RRSPs, RRIFs, TFSAs, RESPs and DPSPs, each as defined under the "*Taxation of Unitholders – Registered Plans*" section of this Simplified Prospectus.
- **Underlying Assets** refers to 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 managed by the Investment Manager using the AHL Diversified Programme.

This document contains selected important information to help you make an informed investment decision about investing in the Fund and to help you understand your rights as an investor. This document is divided into two parts.

- **Part A**, from pages 1 through 58, contains general information applicable to the Fund.
- **Part B**, from pages 59 through 72, contains specific information about the Fund described in this document.

Additional information about the Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after those annual management reports of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. These documents are available at your request, and at no cost, by calling us toll free at 1-877-860-1080, by emailing us at info@nextedgecapital.com or by contacting your Dealer.

These documents and other information about the Fund are available on our website at www.nextedgecapital.com and are also available at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify their investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

The Fund is an alternative mutual fund organized as an open-ended unit trust governed by the laws of the Province of Ontario and established under the Declaration of Trust. In this document, we refer to the securities issued by the Fund as "**Units**". The Fund is an alternative mutual fund with specific investment objective and a portfolio of investments. The Fund currently offers seven classes of units (each, a "**class**" and together, "**classes**") but may, in the future, offer additional classes of units without notification to, or approval of, investors. Each class of units is intended for a different investor and may entail different fees. The owner of a unit is referred to as a "**Unitholder**". The different classes of units available under this

Simplified Prospectus are described under the section entitled "*Purchases, Redesignations and Redemptions*".

What are the risks of investing in a mutual fund generally?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon their investment objectives. These can include stocks, bonds, securities of other mutual funds and/or exchange-traded fund, called "underlying funds", cash and cash equivalents like treasury bills and derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the net asset value ("**Net Asset Value**" or "**NAV**") of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your original investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund.

Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled "*Purchases, Redesignations and Redemptions*" for further details.

The Fund offered under this Simplified Prospectus is considered an "alternative mutual fund" within the meaning of NI 81-102 which permits it to use strategies generally prohibited to be used by conventional mutual funds. The Fund was formerly a "commodity pool" within the meaning of NI 81-104 prior to the alternative mutual fund amendments to NI 81-102 published with the *CSA Notice of Amendments – Modernization of Investment Fund Product Regulation – Alternative Mutual Funds* (2018), 41 OSCB #40 (Supp-2) dated October 4, 2018, which came into force on January 3, 2019 (the "**Alternative Mutual Fund Amendments**"). The Fund has received exemptive relief that permits the Fund to utilize investment strategies, including the use of specified derivatives for non-hedging purposes, in a manner permitted by NI 81-104 prior to the implementation of the Alternative Mutual Fund Amendments.

What are the specific investment risks of investing in a mutual fund?

Mutual funds are subject to a variety of risk factors depending on their investment objectives. Set out below in alphabetical order is a general description of the specific risks of investing in the Fund. The following does not purport to be a complete summary of all the risks associated with an investment in the Fund. Prospective Unitholders should read this entire Simplified Prospectus and consult with their own advisors before deciding to subscribe.

General Risks

Suitability of Investment in Units

An investor should reach a decision to invest in the Fund after careful consideration with his, her or its advisors as to the suitability of the Fund in light of its investment objectives and the information set out in this Simplified Prospectus. None of the Manager or the Investment Manager makes any recommendation as to the suitability of the Fund for investment by any person. Investors should be aware that the return to the Fund, and consequently to the Unitholders, will depend on the return of the Underlying Assets and that the risks involved in exposure to the returns of the Underlying Assets are greater than those normally associated with other types of investments. Investments in the Underlying Assets can be subject to sudden, unexpected and substantial price movements and can lead to substantial losses as well as gains in the net asset value of the AHL DP Shares within a short period of time.

No Guaranteed Return

There is no guarantee that an investment in Units will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting AHL DP Limited's investments. All prospective Unitholders should consider an investment in the Fund within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

Nature of Units

The Units share certain attributes common to equity securities. The Units represent an undivided interest in the assets of the Fund. However, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

Potential Conflicts of Interest

The Manager and the Investment Manager are required to satisfy their standard of care in exercising their duties with respect to the Fund and the Underlying Assets, respectively. However, neither the Manager nor the Investment Manager nor their officers, directors, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Fund or the Underlying Assets, respectively. Each of the Manager, the Investment Manager or the other members or affiliates thereof and their respective officers, employees and affiliates may undertake financial, investment or professional activities which give rise to conflicts of interest with respect to the Fund or the Underlying Assets.

Certain inherent conflicts of interest arise from the fact that the Manager, the Investment Manager and their affiliates may carry on investment activities for other clients (including other investment funds sponsored by the Manager, the Investment Manager or their affiliates) or on a proprietary basis in which the Fund or the Underlying Assets will have no interest. Future investment activities by the Manager or the Investment Manager, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Investment Manager is part of the Man AHL division ("**AHL**") of Man Group plc. Furthermore, the Investment Manager or its affiliates may be a counterparty in a transaction with the Underlying Assets and may be paid fees which have not been negotiated at arm's length. In addition, there will be occasions when a member of Man Group plc has an interest in fees and expenses charged by or in relation to investment funds or vehicles in which the Fund or the Underlying Assets directly or indirectly invests, or has an interest in the underlying investment managers themselves. Any such fees will be no more than would be charged for similar services by an arm's length party.

The Manager, the Investment Manager or their affiliates may also engage in the promotion, management or investment management or other services in relation to separate competitor investment products, vehicles or any other fund or trust. These competitor vehicles may have investment policies similar to those of the Fund or the Underlying Assets or entities through which they make investment allocations and the Manager, the Investment Manager or their affiliates may be compensated in a different manner in respect of those vehicles. The Manager, the Investment Manager or their affiliates will follow procedures designed to ensure an appropriate allocation of available investment opportunities among the Underlying Assets and competitor vehicles.

In addition, directors and officers of the Investment Manager may act as directors or officers of other entities that provide services, directly or indirectly, to the Fund or the Underlying Assets.

An affiliate of the Investment Manager has been retained to act as the marketing advisor of the Underlying Assets. Other affiliates of the Investment Manager may be retained to provide services to the Underlying Assets and may be paid fees which have not been negotiated at arm's length.

Man Investments AG, in its role as marketing advisor providing structuring services or as the introducing broker, may propose that AHL DP Limited on behalf of the Underlying Assets enter into agreements with Man Investments AG, affiliated entities or third parties with which Man Investments AG or its affiliates have a broader commercial relationship for the provision of various services, including in respect of financing arrangements, valuation and brokerage services in respect of which they may receive fees, spreads and other compensation in respect of AHL DP Limited. The final decision as to which service provider is chosen is made by the directors of AHL DP Limited.

Where there is a material risk of damage to the Fund or the Underlying Assets arising from any conflict of interest, this conflict will be managed to prevent the conflict from adversely affecting the interests of the Fund and/or the Underlying Assets. Where it cannot be managed it will be disclosed to the Fund and/or the Underlying Assets.

Legislative, Regulatory and Administrative Changes

There can be no assurance that income tax, securities and other laws of Canada, the Cayman Islands or any other jurisdiction or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions to be made by the Fund, the taxation of AHL DP Limited, the Fund or Unitholders in general.

No Guarantee of Achieving Investment Objectives

Investors should remember that the Net Asset Value per Unit may fall as well as rise. There is no guarantee that the Fund will realize its investment objectives.

Identification and exploitation of the AHL Diversified Programme involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the allocated assets.

Reliance on the Manager and the Investment Manager

The Fund will be highly dependent upon the expertise and abilities of the Manager and the Investment Manager. The loss of services of key personnel of either of the Manager or the Investment Manager could adversely affect the Fund. Unitholders have no right to take part in the management of the Fund.

Illiquidity of Units

While Unitholders may redeem their Units as described in this Simplified Prospectus, under certain conditions redemptions may be temporarily restricted or suspended. Unitholders requesting redemptions may, therefore, potentially experience delays in receiving redemption payments. An investment in Units is suitable only for sophisticated investors who do not need full liquidity with respect to their investment.

Redemptions

Unitholders will not know in advance of giving a redemption notice the price at which the Units will be redeemed. In the period after a redemption notice has been given and before the relevant redemption date, the NAV per Unit and, therefore, the redemption price which will be payable to the unitholder may change substantially due to market movements. Unitholders are not entitled to withdraw a request for redemption unless the Manager otherwise determines in its sole discretion or unless a suspension of valuations has been declared. In various circumstances the redemption of Units, the payment of redemption proceeds and/or the calculation of the NAV of the Units may be suspended. The Manager may also change the timing of a redemption date and/or the valuation date, provided it is not less frequent than weekly. The Fund's ability to redeem Units may depend upon the liquidity of the underlying investments.

No Recourse to Underlying Assets

The return to the Unitholders and the Fund will be dependent upon the return of the AHL DP Shares. However, Unitholders will not have, and the Units will not represent, any direct or indirect ownership interest in the AHL DP Shares or the Underlying Assets. Investors will have no recourse to the Underlying Assets.

Fees and Expenses of the Fund

The Fund is obligated to pay management fees and other expenses regardless of whether the Fund realizes a profit. Under certain circumstances, the Fund may be subject to significant indemnification obligations in respect of the Manager or certain affiliated parties.

Risks Arising from Multiple Classes of Units

The Manager's fees determined with respect to a particular class of Units are charged against the Net Asset Value of that class. However, all other expenses of the Fund will generally be allocated among the various classes of Units, and a creditor of the Fund may seek to satisfy its claims from the assets of the Fund, as a whole, even though its claims relate only to a particular class of Units.

Current Income

An investment in Units of the Fund is not suitable for investors seeking current income for financial or tax planning purposes as distributions, if any, will generally be made through the issuance of additional Units of the same class.

Taxation of the Fund

Under special rules contained in the Tax Act, trusts that constitute "SIFT trusts" (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or became payable to Unitholders in a particular taxation year. If the Fund were found to be a "SIFT trust", the amounts available to be distributed by the Fund to its Unitholders could be materially reduced.

If the Fund does not qualify, or ceases to qualify, as a mutual fund trust under the *Income Tax Act* (Canada) (the "**Tax Act**"), the income tax considerations described under the "*Certain Canadian Federal Income Tax Considerations for Investors*" section of this Simplified Prospectus would be materially and adversely different in certain respects.

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Unitholders.

In determining its income for tax purposes, the Fund will treat gains or losses on the disposition of AHL DP Shares as capital gains and losses. The Fund may use derivatives for foreign currency hedging purposes. In accordance with the CRA's published administrative policies, gains or losses realized on such derivatives, where such derivatives are sufficiently linked to an acquisition or disposition of capital property of the Fund, will be treated and reported by the Fund for purposes of the Tax Act on capital account and designations with respect to its income and capital gains will be made and reported to Unitholders on this basis. If dispositions of AHL DP Shares or derivative transactions of the Fund are not on capital account, the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders could increase.

All Unitholders will be responsible for the preparation and filing of their own tax returns in respect of their investment in the Fund. Costs associated with the preparation and filing of such returns may be material. Potential investors should consult their own tax advisors for the specific Canadian federal and provincial and foreign tax consequences to them.

Trust Loss Restriction Rule

The Fund may be subject to loss restriction rules contained in the Tax Act unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the Fund. If the Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax on such amounts); and (ii) the Fund will be deemed to realize any unrealized capital losses and its ability to carry forward losses will be restricted. Generally, the Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

Identity of Beneficial Ownership and Withholding on Certain Payments

The United States *Hiring Incentives to Restore Employment Act* (the "**HIRE Act**") was signed into U.S. law in March 2010 creating a new withholding regime referred to as the United States *Foreign Account Tax Compliance Act* ("**FATCA**").

In order for the Fund to avoid a U.S. 30% withholding under FATCA (the "**FATCA Tax**") on certain payments, including eventually payments of gross proceeds, made with respect to certain actual and deemed U.S. investments, the Fund and AHL DP Limited generally are required to register with the U.S. Internal Revenue Service ("**IRS**") and agree to identify and report certain of its direct and indirect U.S. account holders (including debt holders and equity holders). The governments of Canada and the United States have entered into an Intergovernmental Agreement (the "**IGA**") which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax provided that (i) the Fund complies with the terms of the IGA and the provisions of the Tax Act implementing the IGA in Part XVIII of the Tax Act; and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavor to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Accordingly, Unitholders will be required to provide identity and residency and other information to the Fund, which (in the case of specified U.S. persons or specified U.S.-owned non-U.S. persons) will be provided by the Fund to the CRA and from the CRA to the IRS. However, the Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part

XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with the relevant U.S. legislation. Any such tax would reduce the Fund's distributable cash flow and net asset value.

In addition, to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards ("**CRS**"), the Manager or the Fund will be required under Part XIX of the Tax Act to identify and report to the CRA certain information relating to Unitholders who are resident in a CRS-participating country other than Canada.

Unitholders should consult their own tax advisers regarding the possible implications of these rules on their investments in the Fund.

Loss of Limited Liability

The Fund is a unit trust and as such its Unitholders do not receive the protection of statutorily mandated limited liability in some provinces or territories as is the case of shareholders of most Canadian corporations. There is no guarantee, therefore, that Unitholders could not be made party to legal action in connection with the Fund. However, the Declaration of Trust provides that no unitholder, in its capacity as such, will be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Fund's property or the obligations or the affairs of the Fund and all such persons are to look solely to the Fund's property for satisfaction of claims of any nature arising out of or in connection therewith and only the Fund's property will be subject to levy or execution.

Pursuant to the Declaration of Trust, the Fund will indemnify and hold harmless each unitholder from any costs, damages, liabilities, expenses, charges and losses suffered by a unitholder resulting from or arising out of such unitholder not having limited liability. The Declaration of Trust also provides that the Trustee and the Manager shall use reasonable efforts to cause to be inserted in each material written agreement, undertaking and obligation signed by or on behalf of the Fund a provision to the effect that such agreement, undertaking or obligation will not be binding upon Unitholders personally.

As a result of the foregoing, it is considered that the risk of any personal liability of Unitholders is minimal in view of the nature of its activities. In the event that a unitholder should be required to satisfy any obligation of the Fund, the unitholder will be entitled to reimbursement from any available assets of the Fund.

Foreign Currency Risk

As the Underlying Assets will be invested in securities traded in a number of different currencies. The Fund, to the extent that it has unhedged exposure to foreign securities, is vulnerable to foreign currency risk which is the risk that the value of the Canadian dollar will increase as measured against a foreign currency. For example, a security traded in U.S. dollars will fall in value, in Canadian dollar terms, if the U.S. dollar declines in value relative to Canadian dollars, even though there is no change to the U.S. dollar value of the security. Conversely, if the Canadian dollar falls in value relative to U.S. dollars, there is a corresponding gain in the value of the security attributable solely to the change in the exchange rate.

The complex systems and programmes operated to mitigate such risks may result in trades being executed which, with the benefit of hindsight, were not required and/or delayed execution or non-execution of trades which, with the benefit of hindsight, would have been appropriate. Unitholders will receive the benefit or bear the loss resulting in such circumstances.

Risks of a Hedging Strategy

The Underlying Assets may not be fully hedged and accordingly no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. Although a hedge is intended to reduce risk, it does not eliminate risk entirely. A hedging strategy may not be effective. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Investment Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Underlying Assets, and therefore to the Fund, if the Investment Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances. The Investment Manager may discontinue any hedging activities at any time in its sole discretion.

Risk Factors Relating to AHL DP Limited and the AHL DP Shares

Effect of Substantial Redemptions

Several factors cause substantial redemptions to be a risk factor for holders of AHL DP Shares. AHL DP Limited will pursue a variety of investment strategies that will take time to develop and implement. Subject to the applicable investment objective and investment strategies, a portion of AHL DP Limited's Underlying Assets may be comprised of financial instruments that are over-the-counter and which may experience reduced liquidity. AHL DP Limited may not be able to dispose of such financial instruments readily. Substantial redemptions could be triggered by a number of events, including, for example, unsatisfactory performance, significant change in personnel or management of the Investment Manager, removal or replacement of the Investment Manager as the investment manager of AHL DP Limited, a decision by AHL DP Limited and/or AHL DP Limited's investors to liquidate such AHL DP Limited assets by redeeming AHL DP Shares, investor reaction to redemptions from the Investment Manager's other clients, legal or regulatory issues that investors perceive to have a bearing on AHL DP Limited or the Investment Manager, or other factors. Actions taken to meet substantial redemption requests from AHL DP Limited (as well as similar actions taken simultaneously in the Investment Manager's other clients) could result in prices of financial instruments held by AHL DP Limited decreasing and in AHL DP Limited expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of AHL DP Limited also may decrease because the liquidation value of certain assets may be materially less than their mark-to-market value. AHL DP Limited may be forced to sell its more liquid positions which may cause an imbalance in the Underlying Assets that could adversely affect the remaining holders of AHL DP Shares. Substantial redemptions could also significantly restrict AHL DP Limited's ability to obtain financing or derivatives counterparties needed for its investment and trading strategies, which would have a further material adverse effect on AHL DP Limited's performance.

Performance Fees

There will be no equalisation methods used for the purpose of determining the performance fee payable. There is a risk that a holder of AHL DP Shares redeeming AHL DP Shares may still incur a performance fee in respect of the AHL DP Shares, even though a loss in investment capital has been suffered by the redeeming holder of AHL DP Shares. Performance fees may also be charged prior to the deduction of certain fees and expenses including the performance fee itself and after the reduction of any performance fees payable due to redemptions by holders of AHL DP Shares.

Performance fees may create an incentive for the Investment Manager, as well as the investment managers and/or advisers of the underlying vehicles through which AHL DP Limited directly or indirectly invests, to make investments which are riskier than would be the case in the absence of a fee based on performance.

Use of Estimates for Subscriptions and Redemptions

The net asset value per AHL DP Share may be based in part on estimated valuations which may prove to be inaccurate or valuations which contain significant discretionary factors.

Where subscription and/or redemption prices are based on estimated net asset values per AHL DP Shares, it should be noted that such prices may not be revised if such estimates prove to be inaccurate. In the case that any subscriptions or redemptions are effected at prices based wholly or partly on estimates then, to the extent that these estimates are too high, net new subscriptions at this price will provide a benefit to continuing investors, to the detriment of applicants, and net new redemptions will cause continuing investors to suffer a dilution in the value of their shares, to the benefit of redeemers. If these estimates are too low, net new subscriptions at this price will cause continuing investors to suffer a dilution in the value of their shares, to the benefit of applicants and net new redemptions will provide a benefit to continuing investors, to the detriment of redeemers.

Speculative Investment

There can be no assurance that AHL DP Limited will achieve its investment objective. An investment in the AHL DP Shares is not guaranteed or subject to principal or capital protection and investors could lose some or all of their investment. Both an investment in AHL DP Limited and the investments which AHL DP Limited proposes to make are speculative. Furthermore, AHL DP Limited's investments may be subject to sudden, unexpected and substantial price movements (which may be influenced by factors such as changes in interest rates, currency exchange rate and economic and political events which are beyond the control of, and not predictable by, the Investment Manager). Unexpected and substantial price movements may lead to substantial fluctuations in the net asset value per AHL DP Share within a short period of time. Accordingly, an investment in the AHL DP Shares should be made only by those persons who could afford to sustain a loss in such an investment.

Regardless of the fact that the Investment Manager manages AHL DP Limited diligently in pursuit of AHL DP Limited's investment objective, no guarantee or representation can be made that AHL DP Limited's investment programme will be successful, that the various investment strategies and trading strategies utilised will have low correlation with each other or that AHL DP Limited's returns will exhibit low correlation with an investor's traditional investment portfolio. AHL DP Limited may utilise a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which AHL DP Limited's Underlying Assets may be subject.

Operational Risk

AHL DP Limited depends on the Investment Manager to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Investment Manager's operations. The Investment Manager's business is dynamic and complex. As a result, certain operational risks are intrinsic to the Investment Manager's operations, especially given the volume, diversity and complexity of transactions that the Investment Manager is expected to undertake daily on behalf of its clients. Disruptions in the Investment Manager's operations may cause AHL DP Limited to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

Breaches in Information Technology Security

The Investment Manager maintains global information technology systems, consisting of infrastructure, applications and communications networks to support AHL DP Limited's as well as its own business activities. These systems could be subject to security breaches such as 'cyber-crime' resulting in theft, a disruption in the Investment Manager's ability to close out positions and the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and/or legal exposure for AHL DP Limited. The Investment Manager seeks to mitigate attacks on its own systems and those of AHL DP Limited's but will not be able to control directly the risks to third-party systems to which it may connect. Any breach in security of the Investment Manager's systems could disrupt AHL DP Limited's and the Investment Manager's business and may cause AHL DP Limited to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage.

Substantial Fees Payable Regardless of Profit

AHL DP Limited will incur obligations to pay brokerage commissions, option premiums and other transactional costs to the brokers. AHL DP Limited will also incur obligations to pay a monthly management fee and pay AHL DP Limited's and its share of the operating, legal, accounting, auditing, directors' and other fees and expenses including the costs of the offering of the AHL DP Shares. These expenses will be payable regardless of whether AHL DP Limited makes a profit.

Transaction Costs

AHL DP Limited's strategy may involve a high level of trading and turnover of AHL DP Limited's investments which may generate substantial transaction costs which will be borne by AHL DP Limited.

Cash Management

AHL DP Limited may enter into arrangements by which cash not required by AHL DP Limited for trading purposes will be managed by the Investment Manager. Such arrangements may include the entry by AHL DP Limited into repurchase or reverse repurchase transactions and other cash management arrangements, including holding cash in bank accounts or secured or unsecured deposits, or investing such cash in corporate or government bonds, or such other instruments as deemed appropriate by the Investment Manager.

A repurchase transaction involves the sale of securities by a seller to a buyer for a purchase price, and an agreement for the seller to repurchase such securities on a mutually agreed future date for the same purchase price, plus interest at a negotiated rate. From the perspective of the buyer, the transaction is referred to as a reverse repurchase transaction, and involves buying securities against payment of a cash price, with the buyer agreeing to resell the securities at a future date, and the original seller agreeing to repurchase such securities at the same price, plus interest at a negotiated rate. Such transactions are economically equivalent to a cash loan collateralised by the securities.

The use of repurchase and reverse repurchase agreements by AHL DP Limited involves certain risks. For example, if the seller of securities to AHL DP Limited under a reverse repurchase transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, AHL DP Limited will seek to dispose of such securities, which action could involve costs or delays. AHL DP Limited may suffer a loss to the extent that the proceeds from the disposal of the underlying securities are less than the repurchase price due from the defaulting seller.

Borrowing for Operations

AHL DP Limited may borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The use of short-term borrowing creates several additional risks for AHL DP Limited. If AHL DP Limited is unable to service the debt, a secured lender could liquidate AHL DP Limited's position in some or all of the financial instruments that have been pledged as collateral and cause AHL DP Limited to incur significant losses. The occurrence of other material defaults and other financing agreements, may trigger cross-defaults under AHL DP Limited's agreements with other brokers, lenders, clearing firms or other counterparties, multiplying the materially adverse impact to AHL DP Limited. The amount of debt which AHL DP Limited may have outstanding at any time may be large in relation to its assets. Consequently, the level of interest rates generally, and the rates at which AHL DP Limited can borrow particularly will affect the operating results of AHL DP Limited.

Service Provider Risk

The Investment Manager and certain of the service providers will not be liable, or have their liability limited to AHL DP Limited under certain circumstances.

Cross-Class Liabilities and Limited Recourse

AHL DP Limited has the power to issue shares in different classes. AHL DP Limited and each class of AHL DP Shares does not benefit from any form of statutory segregation.

Generally, liabilities incurred in respect of a specific class of shares will be attributed to that class, while other general expenses as determined in the discretion of the valuation services provider will be incurred at the AHL DP Limited level and/or allocated to each class on a *pro-rata* basis.

The rights of each holder of AHL DP Shares are limited to the net asset value per AHL DP Share attributable to the relevant class of AHL DP Shares. In the event that the net asset value of the relevant class of AHL DP Shares is insufficient to make payments to holders of such class of shares, such holders of AHL DP Shares will not be entitled to exercise any rights or have recourse to the net asset value attributable to any other class of AHL DP Shares or any other assets of AHL DP Limited.

However, AHL DP Limited is a single legal entity and the assets and liabilities attributable to each class will not be segregated as a matter of Cayman Islands law, nor will contracts with service providers seek to limit their recourse to the net asset value attributable to any particular class. All of the assets of AHL DP Limited will be available to meet all of its liabilities, regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability would arise where one class becomes insolvent and is unable to meet all of its liabilities. In such a case, the assets of AHL DP Limited attributable to other classes may be applied to cover the liabilities of the insolvent class.

Tax Considerations

The directors may take positions on certain tax issues which depend on legal conclusions not yet addressed by the courts. Additionally, no assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Simplified Prospectus.

AHL DP Limited may be audited by one or more tax authorities. An income tax audit may result in an increased tax liability of the AHL DP Limited, including with respect to years when an investor was not a shareholder of AHL DP Limited, which could reduce the net asset value of AHL DP Limited and affect the return of all holders of AHL DP Shares.

Certain European Union Member States have taken steps towards implementing a "financial transactions tax" ("**FTT**"), applicable to transactions in securities or other financial instruments where at least one party to the transaction, the issuer of the securities or other financial instruments, or the relevant broker, is located in the European Union. If implemented, the FTT may result in substantial loss to AHL DP Limited, both directly through increased transaction costs and also indirectly through reduced liquidity in markets in securities and other financial instruments. The FTT may also render economically unviable certain investment strategies which the Investment Manager might otherwise have pursued, which may impair the Investment Manager's ability to generate returns for holders of AHL DP Shares.

The regulatory or tax environment for derivative and related instruments is evolving and may be subject to government or judicial action, which may affect the value or liquidity of investments held by AHL DP Limited or AHL DP Limited's ability to obtain the leverage it might otherwise obtain.

Where AHL DP Limited invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. AHL DP Limited will not be able to recover such withheld tax and so any change would have an adverse effect on the net asset value of the AHL DP Shares. Where AHL DP Limited sells securities short that are subject to withholding tax at the time of sale, the price obtained will reflect the withholding tax liability of the purchaser. In the event that in the future such securities cease to be subject to withholding tax, the benefit thereof will accrue to the purchaser and not to AHL DP Limited.

US Source payments may be subject to withholding under FATCA

FATCA generally imposes a 30% withholding tax on certain payments to non-US financial institutions (including investment entities) of U.S. source income and proceeds from the sale of property of a type which can produce U.S. source interest or dividends unless the financial institution discloses to the IRS the name, address and taxpayer identification number of certain U.S. persons that hold, directly or indirectly, an account with the financial institution, as well as certain other information relating to any such account. The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information – one with the United States and one with the United Kingdom (the "**US IGA**" and the "**UK IGA**", respectively). The U.S. IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the Cayman Islands government and ultimately to the IRS. AHL DP Limited intends to comply with any obligations imposed on it under FATCA and the U.S. IGA to avoid the imposition on it of any withholding tax under FATCA, but there can be no assurances that it will be successful in this regard.

Discretion to employ new strategies and techniques

The Investment Manager has considerable discretion in the types of instruments which AHL DP Limited may trade, and may have exposure to any issuers, country, region and sector that it believes will help AHL DP Limited achieve its investment objective and, subject to AHL DP Limited's investment objective and policies, has the right to modify the trading strategies or hedging techniques of AHL DP Limited without the consent of the holders of AHL DP Shares. Any of these new investment strategies or hedging techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to AHL DP Limited. In addition, any new investment strategy or hedging technique developed by the AHL Diversified Programme and/or the AHL Evolution Programme may be more speculative than earlier techniques and may increase the risk of an investment in AHL DP Limited.

Risk Factors Relating to the Underlying Assets, the AHL Diversified Programme and the AHL Evolution Programme

Reliance on the Investment Manager

The success of AHL DP Limited is significantly dependent upon the ability of the AHL DP Manager and the Investment Manager to develop and implement effectively AHL DP Limited's investment objective. Except as otherwise discussed herein, investors will be relying entirely on the AHL DP Manager and the Investment Manager to conduct and manage the affairs of AHL DP Limited. Subjective decisions made by either or both of the AHL DP Manager and the Investment Manager may cause AHL DP Limited to incur losses or to miss profit opportunities on which it could otherwise have capitalised.

Dependence of Investment Manager on Key Personnel

The performance of the Investment Manager is largely dependent on the talents and efforts of the highly skilled personnel of AHL. The success of AHL DP Limited depends on AHL's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other personnel. There can be no assurance that AHL's investment professionals will continue to be associated with AHL throughout the life of AHL DP Limited and there is no guarantee that the talents of AHL's investment professionals could be replaced. The failure to attract or retain such investment professionals could have a material adverse effect on AHL DP Limited and the holders of AHL DP Shares.

Model and Data Risk

The Investment Manager relies heavily on proprietary mathematical quantitative models (each a "**Model**" and collectively, "**Models**")) and data developed both by the Investment Manager and those supplied by third parties (collectively, "**Data**") rather than granting trade-by-trade discretion to the Investment Manager's investment professionals. In combination, Models and Data are used to construct investment decisions, to value both current and potential investments (including, without limitation, for trading purposes, and for the purposes of determining the net asset value of AHL DP Limited), to provide risk management insights and to assist in hedging AHL DP Limited's positions and investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, "**System Events**").

The Investment Manager seeks to reduce the incidence and impact of System Events, to the extent feasible, through a combination of internal testing, simulation, real-time monitoring, use of independent safeguards in the overall portfolio management process and often in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays in the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organise available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially adverse effects on AHL DP Limited. System Events in third-party provided Data is generally entirely outside the control of the Investment Manager.

The research and modelling processes engaged in by the Investment Manager on behalf of AHL DP Limited is extremely complex and involves the use of financial, economic, econometric and statistical theories, research and modelling; the results of this investment approach must then be translated into computer code. Although the Investment Manager seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight and employ other mitigating measures and processes, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product, even with simulations and similar methodologies, raise the chances that Model code may contain one or more coding errors, thus potentially resulting in a System Event and further, one or more of such coding errors could adversely affect AHL DP Limited's investment performance.

The Investment Strategies of the Investment Manager are highly reliant on the gathering, cleaning, culling and performing of analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is impossible and impracticable to factor all relevant, available Data into forecasts, investment decisions and other parameters of the Models. The Investment Manager will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate investment decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, the Investment Manager at all times. Irrespective of the merit, value and/or strength of a particular Model, it will not perform as designed if incorrect Data is fed into it which may lead to a System Event potentially subjecting AHL DP Limited to a loss. Further, even if Data is input correctly, "model prices" anticipated by the Data through the Models may differ substantially from market prices, especially for financial instruments with complex characteristics, such as derivatives, in which AHL DP Limited may invest.

Where incorrect or incomplete Data is available, the Investment Manager may, and often will, continue to generate forecasts and make investment decisions based on the Data available to it. Additionally, the Investment Manager may determine that certain available Data, while potentially useful in generating forecasts and/or making investment decisions, is not cost effective to gather due to, among other factors, the technology costs or third-party vendor costs and, in such cases, the Investment Manager will not utilise such Data. The Investment Manager has full discretion to select the Data it utilizes. The Investment Manager may elect to use or may refrain from using any specific Data or type of Data in generating forecasts or making trading decisions with respect to the Models. The Data utilised in generating forecasts or making trading decisions underlying the Models may not be (i) the most accurate data available or (ii) free of errors. The Data set used in connection with the Models is limited. The foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a quantitative, process-driven, systematic adviser such as the Investment Manager.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose AHL DP Limited to potential losses and such losses may be compounded over time. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful and when determining the net asset value of AHL DP Limited, any valuations of AHL DP Limited's investments that are based on valuation Models may prove to be incorrect.

In addition, Models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios (often involving a market event or disruption of some kind), Models may produce unexpected results which may or may not be System Events.

Errors in Models and Data are often extremely difficult to detect, and, in the case of Models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events may go undetected for long periods of time and some may never be detected. Finally, the Investment Manager will detect certain System Events that it chooses, in its sole discretion, not to address or fix, and the third party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The degradation or impact caused by these System Events can compound over time. The Investment Manager generally will not perform a materiality analysis on the potential impact of a System Event. The Investment Manager believes that the testing and monitoring performed on Models will enable the Investment Manager to identify and address those System Events that a prudent person managing a quantitative, systematic and computerised investment programme would identify and address by correcting the underlying issue(s) giving rise to the System Events, however there is no guarantee of the success of such processes. Holders of AHL DP Shares should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process-driven, systematic investment manager such as the Investment Manager. Accordingly, the Investment Manager does not expect to disclose discovered System Events to AHL DP Limited or to holders of AHL DP Shares.

AHL DP Limited will bear the risks associated with the reliance on Models and Data including bearing all losses related to System Events unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law.

General Economic and Market Conditions

The success of AHL DP Limited's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of AHL DP Limited's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of AHL DP Limited's investments. Volatility or illiquidity could impair AHL DP Limited's profitability or result in losses. AHL DP Limited may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets – the larger the positions, the greater the potential for loss.

The economies of some countries may differ favourably or unfavourably from the U.S. and Western European economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Performance History

There can be no assurance that information on the Investment Manager or the AHL Diversified Programme set out in this Simplified Prospectus or elsewhere, including information on past performance, will be indicative of how the AHL DP Shares will perform (either in terms of profitability or low correlation with other investments) in the future.

Obsolescence Risk

AHL DP Limited is unlikely to be successful in its quantitative trading strategies unless the assumptions underlying the models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and the Investment Manager does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result. The Investment Manager will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. Any modification of the models or strategies will not be subject to any requirement that holders of AHL DP Shares receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification on AHL DP Limited's performance.

Crowding/Convergence

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on their ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated models, the investment objectives of holders of AHL DP Shares may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the Investment Manager's model comes to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect AHL DP Limited is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace

Trading Systems and Execution of Orders

The Investment Manager relies extensively on computer programmes, systems, technology, Data and Models to implement its execution strategies and algorithms. The Investment Manager's investment strategies, trading strategies and algorithms depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. There is a risk that the Investment Manager's proprietary algorithmic trading systems may not be able to adequately react to a market event without serious disruption. Further, trading strategies and algorithms may malfunction causing severe losses. While the Investment Manager has employed tools to allow for human intervention to respond to significant system malfunctions, it cannot be guaranteed that losses will not occur in such circumstances as unforeseen market events and disruptions and execution system issues.

Involuntary Disclosure Risk

The ability of the Investment Manager to achieve its investment goals for AHL DP Limited is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager's models, and thereby impair the relative or absolute performance of AHL DP Limited.

Trade Error Risk

The complex execution modalities operated by the Investment Manager and the speed and volume of trading invariably result in occasional trades being executed which, with the benefit of hindsight, were not required or intended by the execution strategy or occasional trades not being executed when they should have been. To the extent a trade error is caused by a counterparty, such as a broker, the Investment Manager generally, to the extent reasonable and practical, attempts to recover any loss associated with such trade error from such counterparty. To the extent a trade error is caused by the Investment Manager, a formalized process is in place for the documentation and resolution of such trade errors. Given the volume, diversity and complexity of transactions executed by the Investment Manager on behalf of AHL

DP Limited, investors should assume that trade errors will occur on occasion. If such trade errors result in gains to AHL DP Limited, such gains will be retained by AHL DP Limited. However, if a trade error result in losses, they will be borne by the Investment Manager in accordance with its internal policies unless otherwise determined by the directors of AHL DP Limited.

Trade and Settlement Systems Risk

AHL DP Limited depends on the Investment Manager and its other service providers to develop and implement appropriate systems for AHL DP Limited's trading activities. Further, AHL DP Limited relies extensively on computer programmes and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of AHL DP Limited's activities. Certain of AHL DP Limited's and the Investment Manager's operations interface will be dependent upon systems operated by third parties, including prime brokers, the valuation services provider, market counterparties and their sub-custodians and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. These programmes or systems may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses and power failures. AHL DP Limited's operations are highly dependent on each of these systems and the successful operation of such systems is often out of AHL DP Limited's and Investment Manager's control. The failure of one or more systems or the inability of such systems to satisfy AHL DP Limited's new or growing businesses could have a material adverse effect on AHL DP Limited. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of AHL DP Limited to monitor its Underlying Assets and risks.

Competition for Investments

Certain markets in which AHL DP Limited may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns, or the liquidity of AHL DP Limited's Underlying Assets may be reduced. There can be no assurance that the Investment Manager will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organised to make such investments, which may result in increased competition to AHL DP Limited in obtaining suitable investments.

Leverage and financing arrangements

AHL DP Limited, or the underlying vehicles through which AHL DP Limited directly or indirectly invests, may borrow and/or utilise various forms of leverage including leveraged or short positions under derivative instruments. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by any of the underlying vehicles through which AHL DP Limited directly or indirectly invests would be magnified to the extent leverage is employed, and substantial losses may result from unwinding short positions.

AHL DP Limited may, in particular, generate leverage through the use of options, futures, options on futures, swaps and other synthetic or derivative financial instruments. Such financial instruments inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. As a result of leverage employed in relation to these instruments, small changes in the value of the instruments may cause a relatively large change in the value of AHL DP Limited. Many such financial instruments are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

As a general matter, the banks and dealers that provide financing to AHL DP Limited can apply essentially discretionary margin, haircut financing as well as security and collateral valuation policies. For example, should the financial instruments pledged to brokers to secure AHL DP Limited's margin accounts decline in value, AHL DP Limited could be subject to a "margin call", pursuant to which AHL DP Limited must either deposit additional funds or financial instruments with the broker or suffer mandatory liquidation of the pledged financial instruments to compensate for the decline in value. In the event of a sudden drop in the value of AHL DP Limited's Underlying Assets, AHL DP Limited might not be able to liquidate financial instruments quickly enough to satisfy their margin requirements. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to AHL DP Limited or the underlying vehicles through which AHL DP Limited directly or indirectly invests and could result in substantial losses.

As a consequence of leverage, interest expense may be material as a percentage of the assets of AHL DP Limited. Interest expense could force a reduction in the exposure of the AHL DP Shares to the relevant investment strategies. The use of such leverage means that even comparatively small losses, or insufficient profits to offset expenses, could rapidly deplete the capital available to AHL DP Limited and reduce or eliminate its profit potential. Further fees relating to any financing arrangements such as arrangement, commitment, minimum utilisation and renewal fees may also be payable. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel AHL DP Limited to liquidate all or part of its Underlying Assets at disadvantageous prices, which may lead to a complete loss of AHL DP Limited's equity.

There can be no assurance that AHL DP Limited will be able to maintain adequate financing arrangements or avoid having to close out positions at losses which if held would have been profitable. There is also no assurance that any financing arrangement will be renewed and, if any financing arrangement in respect of the AHL DP Shares is renewed, it may be renewed on less favourable terms. In particular, third parties may not be available to act as financing providers and the Man Group itself may face regulatory, commercial or other constraints, resulting in it not offering or renewing a financing arrangement. Additionally, any financing arrangement may be subject to early termination in accordance with its terms and may be terminated by a counterparty. A loss of, a termination of, or a reduction in, a financing arrangement may have the effect of causing AHL DP Limited to reduce its overall investment exposure in respect of the AHL DP Shares with a corresponding reduction in investment return expectations. The renewal of a financing arrangement might be subject to a change in terms of that financing arrangement including but not limited to a change in applicable interest margins.

Derivative Investments Generally

AHL DP Limited may enter into other derivative instruments, such as credit derivatives. It may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of AHL DP Limited and legally permissible. Special risks may apply to instruments that are invested in by AHL DP Limited in the future that cannot be determined at this time or until such instruments are developed or invested in by AHL DP Limited. For example, risks with respect to credit derivatives may include determining whether an event will trigger payment under the contract and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk. Other swaps, options, and other derivative instruments may be subject to various types of risks, including market risk, regulatory risk, tax risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk. Where AHL DP Limited invests in derivatives such as futures or forwards that are linked to commodities, there is a risk that, were there to be an error in closing out the relevant position in time, AHL DP Limited might be required to take physical delivery of such commodities, or arrange for another party to take delivery on short notice, with resulting additional costs. In addition, as new derivative instruments are developed, documentation may not be standardised, leading to potential disputes or misunderstanding with counterparties. The regulatory and tax environment for derivative instruments in which AHL DP Limited may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on AHL DP Limited.

Further general risks of dealing in derivatives include (i) leverage; (ii) inability to close out a position on favourable terms or at all; (iii) the price of the underlying securities; (iv) over-the counter contracts; and (v) contractual asymmetries and inefficiencies.

Over-The-Counter Contracts

Off-exchange or "over-the-counter" contracts, such as forward financial exchange contracts, are subject to greater price volatility and greater illiquidity than those traded on an exchange: (i) as they are traded through an informal network of banks and other dealers which have no obligation to make markets in these instruments; (ii) as there are fewer market makers, likely resulting in wider spreads between their bid and asked prices and lower trading volumes; and (iii) as positions are not marked-to-market on a daily basis. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Counterparties to a transaction may be unable or unwilling to perform their side of such a contract and as such contracts are not guaranteed by an exchange or clearing house any such default would eliminate any profit potential and compel AHL DP Limited to cover its commitments for resale or repurchase, if any, at the then-prevailing price, which may be difficult to determine. Any of these events could have a material adverse effect on the performance of AHL DP Limited and returns to holders of AHL DP Shares.

Contractual Asymmetries and Inefficiencies

The Investment Manager, on behalf of AHL DP Limited, may enter into certain contracts that contain provisions that place it in an "asymmetrical" position relative to its counterparty, such as break clauses, whereby a counterparty may unilaterally terminate a transaction on the basis of a specified reduction in net asset value, incorrect collateral calls or delays in collateral recovery. Where the Investment Manager, on behalf of AHL DP Limited, does not have similar rights against the counterparty, the exposure of AHL DP Limited to such counterparty is increased, which could have a material adverse effect on the performance of AHL DP Limited and returns to holders of AHL DP Shares.

Futures

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which AHL DP Limited's positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent AHL DP Limited from promptly liquidating unfavourable positions and subject AHL DP Limited to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or other regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

The price of stock index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, holders of AHL DP Shares may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of stock index futures contracts by AHL DP Limited also is subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Options

AHL DP Limited may incur risks associated with the sale and purchase of call options.

The seller (writer) of a call option, which is covered (i.e., the writer holds the underlying security), assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Swaps

AHL DP Limited may enter into swap transactions for trading, investment and hedging purposes. Swaps are entered into in an attempt to obtain a particular return without the need to purchase the underlying reference asset. The use of total return swaps, price return swaps, volatility swaps, variance swaps, performance swaps, rate swaps, basis swaps, forward rate transactions, swaptions, basket swaps, index swaps, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or any other similar transactions, whether referencing fixed income, equity or hybrid securities, credit, rates, commodities, currencies, baskets or indices (including any option with respect to any of these transactions) is a highly specialised activity that involves investment techniques and risks different from those associated with ordinary securities transactions. Swaps are individually negotiated transactions where each party agrees to make a one-time payment or periodic payments to the other party. Certain swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), in which case the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. Other swap agreements, such as interest rate swaps, typically do not obligate the parties to make "principal" payments, but only to pay the agreed rates or amounts as applied to an agreed "notional" amount. Accordingly, AHL DP Limited's risk of credit loss may be the amount of interest payments it is entitled to receive on a net basis. As swap transactions are not typically fully funded, a payment of margin is often required by the counterparty. Where a trade is 'in the money', AHL DP Limited is further exposed to the creditworthiness of the counterparty until any excess margin is returned.

Swap agreements are currently principal-to-principal transactions in which performance is the responsibility of the individual counterparty and not an organised exchange or clearinghouse. As such, AHL DP Limited is exposed to the risk of counterparty default and counterparty credit risk. In addition, the margin rate associated with the transaction is often at the discretion of AHL DP Limited's counterparty, which may result, in certain circumstances, in an unexpectedly large margin call and an associated liquidity drain for AHL DP Limited. However, global regulators have recently moved to more closely regulate the over-the-counter market, and accordingly will require that a substantial portion of over-the-counter swaps be executed in regulated markets, submitted for clearing through regulated clearinghouses, and subject to mandated margin requirements. It is unclear as to how effective this regulatory change will be at reducing counterparty risk and increasing the efficiency of the market. The future costs associated with such trades and the liquidity impact of providing collateral is also uncertain and may be significantly more than is currently the case, thereby potentially reducing returns. In addition, a swap transaction is a contract the value of which is derived from another underlying asset. As such, a move in the price of the underlying asset, can, due to the embedded leverage in the swap, magnify any gains or losses resulting from the transaction. As is the case with any derivative transaction, the counterparty hedge-based pricing and funding costs on entry and exit may be more costly than buying the underlying reference asset directly. Moreover, AHL DP Limited's forecasts of market values, interest rates, and currency exchange rates may be inaccurate and may result in overall investment performance results that are worse than the results that would have been achieved if AHL DP Limited did not engage in swap transactions.

In addition, there are risks in terminating swaps, with the main risk being tax-related. In particular, that breaking the swap would trigger a capital gain which would not otherwise be realised.

Forward Contracts

AHL DP Limited may make extensive use of forward contracts, particularly in relation to its currency trading. Forward contracts are transactions involving an obligation to purchase or sell a specific instrument or entitlement at a future date at a specified price. Forward contracts may be used by AHL DP

Limited for hedging purposes, such as to protect against uncertainty in the level of future foreign currency exchange rates. Forward contracts may also be used to attempt to protect the value of AHL DP Limited's existing holdings of securities held in currencies other than the base currency of AHL DP Limited. As is the case for any attempt at hedging downside risk, there is a risk that there is an imperfect correlation between the value of the securities and the forward contracts entered into with respect to those holdings resulting in an unprotected loss. Forward contracts may also be used for investment, non-hedging purposes to pursue AHL DP Limited's investment objective, for example where it is anticipated that a particular currency will appreciate or depreciate in value.

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. However, certain forward currency exchange contracts are regulated as swaps by the U.S. Commodity Futures Trading Commission (the "**CFTC**") and have begun being voluntarily traded on swap execution facilities. To the extent AHL DP Limited is treated as a US Person or if the Investment Manager's swap counterparty is a US person (for the purposes of the CFTC's swap regulations), some of these contracts may be required to be centrally cleared by a regulated US clearinghouse and may be required to be traded on regulated exchanges in the future. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. As in the case of a futures contract, a forward usually only requires a much smaller amount of margin to be provided relative to the economic exposure which the forward contract provides to the relevant investment; it creates a 'gearing' or 'leverage' effect. This means that a small margin payment can lead to enhanced losses as well as enhanced gains. It also means that a relatively small movement in the underlying instrument can lead to a much greater proportional movement in the value of the forward contract. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets, particularly the currency markets, due to unusually high trading volume, political intervention, market dislocations, unanticipated third country events affecting the underlying asset, unscheduled holidays and market closures or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of AHL DP Limited. Market illiquidity or disruption could result in major losses to AHL DP Limited.

Execution of Orders

AHL DP Limited's investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. AHL DP Limited's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to the Investment Manager, AHL DP Limited's counterparties, brokers, dealers, agents or other service providers. In such event, AHL DP Limited might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, AHL DP Limited might not be able to make such adjustment. As a result, AHL DP Limited would not be able to achieve the market position selected by the Investment Manager, which may result in a loss.

Hedging Transactions

AHL DP Limited may utilise financial instruments both for investment purposes and for risk management purposes in order to: (a) protect against possible changes in the market value of AHL DP Limited's Underlying Assets resulting from fluctuations in the markets and changes in interest rates; (b) protect

AHL DP Limited's unrealized gains in the value of its Underlying Assets; (c) facilitate the sale of any such investments; (d) enhance or preserve returns, spreads or gains on any investment in AHL DP Limited's Underlying Assets; (e) hedge against a directional trade; (f) hedge the interest rate, credit or currency exchange rate on any of AHL DP Limited's financial instruments; (g) protect against any increase in the price of any financial instruments AHL DP Limited anticipates purchasing at a later date; or (h) act for any other reason that the Investment Manager deems appropriate. AHL DP Limited will not be required to hedge any particular risk in connection with a particular transaction or its Underlying Assets generally. While AHL DP Limited may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for AHL DP Limited than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the Underlying Assets will always be exposed to certain risks that may not be hedged.

Equities

AHL DP Limited may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, AHL DP Limited may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and AHL DP Limited has not hedged against such a general move. AHL DP Limited also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Undervalued Securities

AHL DP Limited may seek to meet its investment objectives by investing in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from AHL DP Limited's investments may not adequately compensate for the financial risks assumed.

AHL DP Limited may make certain speculative investments in securities which the Investment Manager believes to be undervalued. However, there can be no assurance that the securities purchased will in fact be undervalued. In addition, AHL DP Limited may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of AHL DP Limited's capital would be committed to the securities purchased, thus possibly preventing AHL DP Limited from investing in other opportunities.

Underlying Funds

AHL DP Limited may invest part or all its assets in regulated or unregulated collective investment schemes or other pooled vehicles managed by the Investment Manager and/or other members of the Man Group and/or independent investment managers. The underlying vehicles through which AHL DP Limited directly or indirectly invests may face similar risks or greater risks in regard to their investments as are described in these risk factors as applicable to AHL DP Limited and consequently AHL DP Limited will also bear these risks indirectly. In addition, investors in AHL DP Limited will be subject to fees (except those fees attributable to member of the Man Group) both at the level of AHL DP Limited and at the level of the underlying fund. Should an underlying fund through which AHL DP Limited directly or indirectly invests fail for any reason (including, but not limited to, failures relating to fraud, operations, valuations or the custody of assets) the Net Asset Value per AHL DP Share may reduce accordingly.

AHL DP Limited may be materially affected by the actions of other funds investing in the underlying vehicles through which AHL DP Limited directly or indirectly invests. Consequently, if another fund were to redeem from the underlying vehicle through which AHL DP Limited directly or indirectly invests, the remaining funds, including AHL DP Limited, may experience higher *pro rata* operating expenses, thereby producing lower returns, and the underlying vehicle through which AHL DP Limited directly or indirectly invests may become less diverse due to a redemption by a larger fund, resulting in increased risk to the Underlying Assets. AHL DP Limited is a single entity and each of its creditors may enforce claims against its assets.

Exchange-Traded Funds

AHL DP Limited may invest in exchange-traded funds ("**ETFs**"), which are shares of publicly-traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, AHL DP Limited may bear, along with other shareholders of an ETF, its *pro rata* portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of AHL DP Limited's expenses (e.g., the management fee and operating expenses), shareholders may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of AHL DP Limited.

Debt Securities

AHL DP Limited may invest in corporate and government debt securities and instruments and may take short positions in these securities. AHL DP Limited will invest in these securities when they offer opportunities for capital appreciation (or capital depreciation in the case of short positions) and may also invest in these securities for temporary defensive purposes and to maintain liquidity. Debt securities include, among others: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government; municipal securities; and mortgage-backed securities ("**MBS**") and asset backed securities ("**ABS**"), including securities backed by collateralised debt obligations ("**CDO**"). AHL DP Limited may also be exposed to the underlying credit worthiness of corporations, municipalities and sovereign states (among others) by the use of credit default swaps. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations.

Debt securities are subject to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations (i.e. credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). An economic recession could severely disrupt the market for most of these securities and may have an adverse impact on the value of such instruments. It is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

AHL DP Limited may invest in both investment grade debt securities and non-investment grade debt securities (commonly referred to as junk bonds), as well as unrated debt securities. Non-investment grade debt securities in the lowest rating categories and unrated debt securities may involve a substantial risk of default or may be in default. Adverse changes in economic conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of non-investment grade debt securities to make principal and interest payments than issuers of higher grade debt securities. Moreover, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities.

The financial crisis demonstrated that even securities backed by very large pools of assets may be subject to volatility where markets may be subject to volatility levels which are higher than might ordinarily be expected. Pre-crisis, debt securities backed by CDOs were considered to be low-risk instruments, as historical statistics appeared to demonstrate that cash flows from a sufficiently large pool of assets, such as credit card debts or mortgage debts, should be highly stable. Accordingly, ratings agencies frequently assigned investment grade ratings to these securities and, in many cases, "AAA" or equivalent ratings. In spite of such high ratings, during the financial crisis, the holders of many of these debt securities suffered significant losses due, among other factors, to statistically unprecedented levels of defaults by underlying debtors. There can be no assurance that, in comparable markets, MBS or ABS held by AHL DP Limited would not be subject to similar losses.

Where AHL DP Limited invests in MBS and other debt securities secured by real estate, it will be exposed to the fluctuations and cycles in value which are characteristic of real estate markets, as well as specific risks including, among others: adverse changes in national or international economic conditions; changes in supply of or demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in the availability of debt financing; changes in interest rates, exchange rates, real estate tax rates and other operating expenses; and government actions including potential regulations on rent control, environmental laws and regulations, real estate laws and regulations, zoning and planning laws, regulations and other rules and fiscal policies.

Uncertainty of the AHL Evolution Programme

Identification and exploitation of the AHL Evolution Programme involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the allocated assets.

Investment in Emerging Markets

AHL DP Limited may invest its assets in securities or currencies of emerging market countries. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include: (a) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (b) greater social, economic and political uncertainty, including war; (c) higher dependence on exports and the corresponding importance of international trade; (d) greater volatility, less liquidity and smaller capitalisation of markets; (e) greater volatility in currency exchange rates; (f) greater risk of inflation; (g) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (h) increased likelihood of governmental involvement in and control over the economy; (i) governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (n) certain considerations regarding the maintenance of AHL DP Limited's financial instruments with non-U.S. brokers and securities depositories.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. AHL DP Limited could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by AHL DP Limited or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries.

Terrorism and Catastrophe Risks

The Underlying Assets are subject to the risk of loss arising from exposure that they may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could adversely affect the Underlying Assets.

Illiquid Positions

AHL DP Limited may make investments in markets that are volatile and/or which may become illiquid. Accordingly, the ability of AHL DP Limited to respond to market movements may be impaired, which may result in significant losses to AHL DP Limited.

A public exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for AHL DP Limited to liquidate its positions and thereby exposes it to losses. In addition, there is no guarantee that markets will remain liquid enough for AHL DP Limited to close out positions.

Concentration Risk

Except as set forth in the applicable investment objective and the AHL Diversified Programme, AHL DP Limited has no formal guidelines for diversification. As a result, AHL DP Limited's Underlying Assets could become significantly concentrated in a limited number of issues, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by AHL DP Limited. This limited diversity could expose AHL DP Limited to losses disproportionate to market movements in general. Even when the Investment Manager attempts to control risks and diversify the Underlying Assets, risks associated with different assets may be correlated in unexpected ways, with the result that AHL DP Limited faces concentrated exposure to certain risks. In addition, many pooled investment vehicles pursue similar strategies, which creates the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behaviour, but future market behaviour may be entirely different. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses for AHL DP Limited.

Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which AHL DP Limited interacts on a daily basis.

Ramp-up Periods

During a "ramp-up period" of a new strategy, AHL DP Limited may not be fully invested, in order to avoid impact on the relevant markets, which may result in a reduction in expected investment returns for the duration of this period.

Counterparty Risk

AHL DP Limited will have significant credit and operational risk exposure to its counterparties, which will require AHL DP Limited to post collateral to support its obligations in connection with transactions involving forwards, swaps, futures, options and other derivative instruments. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral posted by AHL DP Limited in connection with such transactions. Additionally, for example, AHL DP Limited may lend securities on a collateralised and an uncollateralised basis, from its Underlying Assets.

Investments will normally be entered into between AHL DP Limited and brokers as principal (and not as agent). Accordingly, AHL DP Limited is exposed to the risk that brokers may, in an insolvency or similar event, be unable to meet its contractual obligations to AHL DP Limited. The underlying vehicles through which AHL DP Limited directly or indirectly invests may bear similar or greater risks with regard to the brokers utilised. Should any counterparty transacting with AHL DP Limited (or other underlying vehicles through which AHL DP Limited directly or indirectly invests) become insolvent, any claim that AHL DP Limited (or underlying vehicles) may have against such counterparties would ordinarily be unsecured.

Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where AHL DP Limited has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to a transaction, AHL DP Limited will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of AHL DP Limited being less than if AHL DP Limited had not entered into the transaction.

If one or more of AHL DP Limited's counterparties that act as custodian, prime broker or broker-dealer for AHL DP Limited were to become insolvent or the subject of liquidation proceedings, there exists the risk that the recovery of AHL DP Limited's securities and other assets from such custodian, prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such custodian, prime broker or broker-dealer.

Investors should assume that the insolvency of any AHL DP Limited counterparty would result in a loss to AHL DP Limited, which could be material.

Short Selling

Although AHL DP Limited is prohibited from selling transferable securities if such securities are not owned by AHL DP Limited, it may undertake short selling of other investments. Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which AHL DP Limited engages in short sales will depend upon the Investment Manager's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to AHL DP Limited of buying those securities to cover the short position. There can be no assurance that AHL DP Limited will be able to maintain the ability to borrow securities sold short. In such cases, AHL DP Limited can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Interest Rate and Exchange Rate Risks

Fluctuations in exchange rates could cause the value of investments made by shareholders to increase or decrease. AHL DP Limited and the underlying vehicles through which AHL DP Limited directly or indirectly invests may have exposure to foreign exchange and/or interest rate risks. AHL DP Limited may seek to mitigate its risks through hedging transactions. To the extent these hedging transactions are imperfect or are only placed over a portion of the target investment exposure, the relevant shareholders will realise the resulting benefit or loss.

The investments of AHL DP Limited will be denominated primarily in U.S. dollars and any return of such investments will therefore be in the same currency. However, AHL DP Shares are denominated in Canadian dollars. Therefore, a fluctuation in Canadian dollars against the U.S. dollar could cause the value of the underlying investments (expressed in Canadian dollars) to diminish or increase irrespective of performance. It is, therefore, the intention of AHL DP Limited to hedge this risk through a programme of currency risk management. The cost and related liabilities and/or benefits related to the foreign exchange hedging will be reflected in the Net Asset Value per AHL DP Share. There is no guarantee that it will be possible to remove all currency exposure.

AHL DP Limited may invest in financial instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. However, AHL DP Limited values its financial instruments in U.S. dollars. AHL DP Limited may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that financial instruments suitable for hedging currency or market shifts will be available at the time when AHL DP Limited wishes to use them, or that hedging techniques employed by AHL DP Limited will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all.

To the extent unhedged, the value of AHL DP Limited's direct or indirect positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which AHL DP Limited makes investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of AHL DP Limited's financial instruments in their local markets and may result in a loss to AHL DP Limited. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on AHL DP Limited's non-U.S. dollar investments.

Contracts for Difference ("CFDs")

A CFD is a contract between two parties, buyer and seller, stipulating that the seller will pay the buyer the difference between the current value of an asset (a security, instrument, basket or index) and its value at contract time. If the difference is negative then, instead, the buyer pays the seller. CFDs allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date or contract size. Unlike shares, with CFDs the buyer is potentially liable for far more than the amount they paid on margin.

Delay in Receiving Subscription Monies

In the light of the fact that subscription monies in respect of any subscription day of AHL DP Limited are only due after the said subscription day, the adjustment of the investment exposure of AHL DP Limited in anticipation of the payment of said subscription monies is unavoidable. Whilst market practice suggests it to be a remote scenario, there may be circumstances where an investor fails to pay such subscription monies to AHL DP Limited for any reason. The administrator of AHL DP Limited will make reasonable efforts to preclude any such payment failure from happening. However, the performance of AHL DP Limited may be affected (positively or negatively) until the investment exposure can be adjusted. As such the Company may be substantially over-exposed to the investment strategy of AHL DP Limited (depending on the size of the amount of subscription monies in question relative to the net asset value of AHL DP Limited) and whilst the directors of AHL DP Limited have the right to make an adjustment prior to the next subscription day in their sole, absolute discretion, in the ordinary course such adjustment will only be made on the next subscription day. This means that holders of AHL DP Shares will bear the full effects of any over-exposure until such adjustment to the investment exposure is next made and no extraordinary steps will be taken to mitigate this risk. Please note that there is no committed facility in place by which the effects of the failure by an investor to pay outstanding subscription monies would be mitigated. Should a transaction fail to settle, the directors of AHL DP Limited shall at their discretion be entitled to cancel the relevant AHL DP Shares issued in relation to such transaction.

Regulatory Risks of Hedge Funds

Legal, tax and regulatory developments could occur during the term of AHL DP Limited that may adversely affect AHL DP Limited. Securities and futures markets are subject to comprehensive regulation and limitation of statutes, regulatory rules and margin requirements. The United Kingdom Financial Conduct Authority (the "**FCA**"), other regulators and self-regulatory organisations and exchanges may be authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private funds is evolving, and changes in the regulation of private funds may adversely affect the value of investments held by AHL DP Limited and the ability of AHL DP Limited to obtain the leverage it might otherwise obtain or to pursue its trading strategies. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of AHL DP Limited to trade in securities or the ability of AHL DP Limited to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on the profit potential of AHL DP Limited.

During July 2013, a Directive aimed at introducing a harmonised regulatory framework for managers of alternative investment funds (the "**AIFMD**") came into force. The AIFMD provides for the introduction of a European regulatory and supervisory framework applicable to managers of alternative investment funds as well as the alternative investment funds themselves. According to the preamble of the AIFMD, the AIFMD aims to address a number of risks that have been identified in relation to the activities of the managers of alternative investment funds. The AIFMD aims to address these risks by subjecting the managers of alternative investment funds and, as an indirect consequence, the alternative investment funds themselves to certain regulations that may have the result of restricting the Investment Manager's operations or increasing the total expense ratio of AHL DP Limited, thereby reducing returns. While the full impact of the implementation of the foregoing cannot currently be fully assessed, AHL DP Limited may become subject to further regulation at an additional cost to investors.

Further, in the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (the "**Dodd-Frank Act**") seeks to regulate markets, market participants and financial instruments that have been previously unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rule-making by applicable regulators and mandate numerous studies and reports, the final extent and impact of the legislation is yet to be fully determined but it is likely to affect AHL DP Limited and/or the Investment Manager.

Enhanced Regulation of the Derivatives Markets

The European Market Infrastructure Regulation ("**EMIR**") seeks comprehensively to regulate the over-the-counter ("**OTC**") derivatives market in Europe for the first time including, in particular, imposing mandatory central clearing, trade reporting and, for non-centrally cleared trades, risk management obligations on counterparties, including timely confirmation, portfolio reconstruction, dispute resolution and margining requirements. Similarly, the Dodd-Frank Act includes provisions that substantially increase the regulation of the OTC derivatives markets for the first time. The Dodd-Frank Act will require that a substantial portion of OTC derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses. For example, certain interest rate swaps, including certain foreign exchange forwards defined as swaps by the CFTC, and credit default index swaps are required by the CFTC to be submitted for clearing if traded by US persons. These OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements mandated by the CFTC, SEC and/or federal prudential regulators. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as they are allowed to do for uncleared OTC trades. This has increased and will continue to increase the dealers' costs, which costs are generally passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and the imposition of new or increased fees, including clearing account maintenance fees. The overall impact of EMIR and the Dodd-Frank Act on AHL DP Limited is highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory requirements.

The U.S. Commodity Futures Trading Commission (the "**CFTC**") also now requires certain derivatives transactions that were previously executed on a bi-lateral basis in the OTC markets to be executed through a regulated futures or swap exchange or execution facility. The SEC is also expected to impose similar requirements on certain security-based derivatives in the near future, though it is not yet clear when these parallel SEC requirements will go into effect. If AHL DP Limited decides to become a direct member of one or more of these exchanges or execution facilities, AHL DP Limited would be subject to all of the rules of the exchange or execution facility, which would bring additional risks and liabilities, and potential additional regulatory requirements. Similarly, under EMIR, European regulators may require a substantial proportion of such derivatives transactions to be brought on exchange and/or centrally cleared. Such requirements may make it more difficult and costly for investment funds, including AHL DP Limited, to enter into highly tailored or customised transactions. They may also render certain strategies in which AHL DP Limited might otherwise engage impossible or so costly that they will no longer be economical to implement. They may also increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The overall impact of EMIR and the Dodd-Frank Act on AHL DP Limited is highly uncertain and it is unclear how the OTC derivatives markets will adapt to these new regulatory regimes.

The "Volcker Rule" component of the Dodd-Frank Act materially restricts proprietary speculative trading by banks, "bank holding companies" and other regulated entities. As a result, there has been a significant influx of new portfolio managers into private investment funds who had previously traded institutional proprietary accounts. Such influx can only increase the competition for AHL DP Limited from other talented portfolio managers trading in AHL DP Limited's investment sector.

Market Abuse Regime

The Market Abuse Regulation (Regulation 596/2014) ("**MAR**") repealed and replaced the previous EU rules on civil market abuse, contained in the Market Abuse Directive (Directive 2003/6/EC) ("**MAD**") and implementing legislation, with effect from July 3, 2016. The Directive on Criminal Sanctions for Market Abuse (Directive 2014/57/EU) ("**CSMAD**") was also required to be transposed into the national law of participating member states by July 3, 2016.

MAR has expanded the scope of the civil market abuse regime under MAD to cover, for the first time, different trading systems and financial instruments and takes into account technological developments, notably algorithmic trading and high frequency trading. MAR addresses the interaction between spot markets and derivative markets, including commodity markets, and potential sources of abuse and manipulation between them, including through provisions allowing member states to introduce criminal sanctions for market abuse offences.

Notwithstanding that the operation of a common regulatory framework on civil market abuse in the EU is expected to provide greater legal certainty and consistency across the markets of the member states in which AHL DP Limited operates, the broader scope of the market abuse regime post July 3, 2016 has led to increased operational and compliance requirements and costs for market participants, including AHL DP Limited.

Enhanced Regulation of Short Sales and Credit Default Swaps

Since November 2012, short sales and credit default swaps have been subject to the provisions of the European Union Regulation on Short Selling and certain aspects of Credit Default Swaps (the "**Short Selling Regulation**"), which was published in the Official Journal of the European Union on March 24, 2012. The Short Selling Regulation introduces restrictions and disclosure requirements for persons taking short positions in European Union ("**EU**") shares and sovereign bonds, and prohibits entering into uncovered credit default swaps in relation to EU sovereign debt (i.e., where the investor does not have an exposure that it is seeking to hedge either to the sovereign debt itself or to assets or liabilities whose value is correlated to the sovereign debt). In addition, the Short Selling Regulation permits the competent authorities of EU member states to prohibit or restrict short sales, limit sovereign credit default swaps and impose emergency disclosure requirements, among other things, during times of stressed markets. Competent authorities may also restrict short sales of individual financial instruments which have suffered a significant fall in price in a single day.

Provisions of the Dodd-Frank Act and new rules promulgated by the SEC may increase the costs of short selling, make interactions with the issuers of securities being sold short more difficult and alter the prices or timing of short sales. The Dodd-Frank Act requires broker-dealers to provide notices to their customers that inform them of their right to opt out of allowing broker-dealers to use their fully paid securities for short sales. In the event that many broker-dealer customers opt out of allowing their fully paid shares to be used in short selling, locating shares for pre-borrowing may become more expensive, especially after the adoption of the SEC's 2008 short selling rules, which were targeted at preventing "naked short selling". Moreover, the SEC's "Circuit Breaker Uptick Rule" will limit AHL DP Limited's ability to sell securities short during the day a stock has declined 10% on its listing market and the following day, except for transactions that are at a price that are above the last national best bid.

The provisions of the SEC rules and the Short Selling Regulation may hinder AHL DP Limited's investment programme by preventing it from taking positions that the Investment Manager considers favourable. They may also result in overvaluations of certain financial instruments due to restrictions on market efficiency. In addition, the SEC's "Circuit Breaker Uptick Rule" and the emergency powers granted under the Short Selling Regulation to competent authorities during times of stressed markets and with respect to individual financial instruments, may adversely affect AHL DP Limited by preventing it from taking hedging positions or other positions that the Investment Manager considers to be in its best interests. The imposition of emergency measures under the Short Selling Regulation could, therefore, result in substantial losses to AHL DP Limited.

Position Limits

"Position limits" imposed by various regulators or exchanges may limit AHL DP Limited's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if AHL DP Limited does not intend to exceed applicable position limits, it is possible that the Investment Manager's other clients together with AHL DP Limited may be aggregated. To the extent that AHL DP Limited's position limits were collapsed with an affiliate's position limits, the effect on AHL DP Limited and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of AHL DP Limited, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, AHL DP Limited might have to forego or modify certain of its contemplated trades.

In addition, the Dodd-Frank Act significantly expands the CFTC's authority to impose position limits with respect to futures contracts, options on futures contracts, swaps that are economically equivalent to futures or options on futures, swaps that are traded on a regulated US exchange and certain swaps that perform a significant price discovery function. In response to this expansion of its authority, in 2012, the CFTC proposed a series of new speculative position limits with respect to futures and options on futures on so-called "exempt commodities" (which includes most energy and metals contracts) and with respect to agricultural commodities. Those proposed speculative position limits were vacated by a United States District Court, but the CFTC has again proposed a new set of speculative position rules which are not yet finalised (or effective). If the CFTC is successful in this second try, the size or duration of positions available to AHL DP Limited may be severely limited. All accounts owned or managed by the Investment Manager are likely to be combined for speculative position limit purposes. AHL DP Limited could be required to liquidate positions it holds in order to comply with such limits or may not be able to fully implement trading instructions generated by its trading models, in order to comply with such limits. Any such liquidation or limited implementation could result in substantial costs to AHL DP Limited.

MiFID II

Each of the EU's re-cast Markets in Financial Instruments Directive (2014/65/EU) (the "**MiFID II Directive**"), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID II Directive, and the EU's Markets in

Financial Instruments Regulation (600/2014) ("**MiFIR**" and, together with the MiFID II Directive, "**MiFID II**") impose new regulatory obligations on the Investment Manager. These regulatory obligations may impact on, and constrain the implementation of, the investment strategy of AHL DP Limited and lead to increased compliance obligations upon and accrued expenses for the Investment Manager and/or AHL DP Limited.

Extension of Pre- and Post-Trade Transparency

MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments, such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues, as well as to cover non-equities, such as bonds, structured finance products, emission allowances and derivatives.

The increased transparency regime under MiFID II, together with the restrictions on the use of "dark pools" and other non-regulated trading venues, may lead to enhanced price discovery across a wider range of asset classes and instruments which could disadvantage AHL DP Limited particularly in the fixed income markets. Such increased transparency and price discovery may have macro effects on trading globally, which may have an adverse effect on the net asset value of AHL DP Limited.

Equities – Mandatory On-Exchange Trading

MiFID II introduces a new rule that an EU regulated firm may execute an equity trade only on an EU trading venue (or with a firm which is a systematic internalizer or an equivalent venue in a third country). The instruments in scope for this requirement are any equities admitted to trading on any EU trading venue, including those with only a secondary listing in the EU. The effect of this rule is to introduce a substantial limit on the possibility of trading off-exchange or OTC in EU listed equities with EU counterparties. The overall impact of this rule on the Investment Manager's ability to implement AHL DP Limited's investment objective and investment strategy is uncertain.

OTC Derivatives

MiFID II requires certain standardised OTC derivatives (including all those subject to a mandatory clearing obligation under EMIR) to be executed on regulated trading venues. In addition, MiFID II introduces a new trading venue, the "Organised Trading Facility", which is intended to provide greater price transparency and competition for bilateral trades. The overall impact of such changes on AHL DP Limited is highly uncertain and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Commodity Position Limits and Reporting

MiFID II introduces position limit and position reporting requirements within the EU for the first time in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known as the implementing measures are not yet finalised. However, it is likely that these measures will impose restrictions on the positions that the Investment Manager may hold on behalf of all accounts owned or managed by it in certain commodity derivatives and will require the Investment Manager to more actively monitor such positions. If the Investment Manager's and/or AHL DP Limited's positions reach the position limit thresholds, such positions will be required to be reduced in order to comply with such limits.

Changes to Use of Direct Market Access

MiFID II introduces new requirements on EU banks and brokers which offer direct market access (“**DMA**”) services to allow their clients to trade on EU trading venues via their trading systems. EU DMA providers will be required to impose trading and credit thresholds on their clients, and to have the benefit of monitoring rights. It will also be necessary for the EU DMA provider to enter into a binding written agreement with its clients, which deals with compliance with MiFID II and the trading venue rules. These changes may affect the implementation of AHL DP Limited’s investment strategy.

Changes to Policies and Procedures and Costs of Compliance

MiFID II requires significant changes to a number of policies and procedures, including in respect of best execution, payment for and access to research, algorithmic trading, high frequency trading and conflicts of interest, which may apply to the Investment Manager. There is no guarantee that these changes will not adversely impact AHL DP Limited’s investment strategy. Compliance with these requirements is likely to have a significant cost implication and it is possible that AHL DP Limited may bear, directly or indirectly, a certain proportion of the Investment Manager’s costs of compliance with MiFID II, which are relevant to AHL DP Limited.

Litigation

With regard to certain of AHL DP Limited’s investments, it is a possibility that the Investment Manager and/or AHL DP Limited may be plaintiffs or defendants in civil proceedings. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by AHL DP Limited and would reduce net assets or may, pursuant to applicable law, require holders of AHL DP Shares to return to AHL DP Limited distributed capital and earnings.

Legal Risk in Emerging Markets

Many of the laws that govern private and foreign investment, financial instruments transactions, creditors’ rights and other contractual relationships in emerging markets are new and largely untested. As a result, AHL DP Limited may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations.

Regulatory controls and corporate governance of companies in developing countries may confer little protection on investors. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty is also limited when compared to such concepts in developed countries. In certain instances, management may take significant actions without the consent of investors. This difficulty in protecting and enforcing rights may have a material adverse effect on AHL DP Limited and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of emerging market countries in which assets of AHL DP Limited are invested. This difficulty in protecting and enforcing rights may have a material adverse effect on AHL DP Limited and its operations.

Segregation of Assets.

Currently, when AHL DP Limited’s assets are transferred to a prime broker, the prime broker does not segregate AHL DP Limited assets from other client assets, including non-alterative investment fund assets. There is a risk that the European Securities and Markets Authority or such other regulator, including but not limited to the FCA, may determine that prime brokers are incorrect in not segregating alternative investment fund clients' assets from non-alternative investment fund client assets. If such a determination were to be made, AHL DP Limited may require that AHL DP Limited assets held by the prime broker be returned to AHL DP Limited, which may incur losses for AHL DP Limited. AHL DP Limited could also be exposed to the risk of loss should the prime broker default on its obligation to return AHL DP Limited assets, particularly as there may be practical or timing problems associated with enforcing AHL DP Limited's rights to its assets in these circumstances.

Limitation of Auditor Liability

Cayman Islands law does not restrict the ability of auditors to limit their liability and the engagement letter or agreement AHL DP Limited has entered into with the auditors may contain exculpation provisions and provisions requiring AHL DP Limited to indemnify the auditors under certain circumstances.

Orderly Liquidation

If the directors of AHL DP Limited, in consultation with the Investment Manager, decide that the investment strategy of AHL DP Limited is no longer viable, they may resolve that AHL DP Limited be managed with the objective of realising assets in an orderly manner and distributing the proceeds to holders of AHL DP Shares in such manner as they determine to be in the best interests of AHL DP Limited, in accordance with the terms of the Articles. This process is integral to the business of AHL DP Limited and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime but shall be without prejudice to the right of the holder of the Management Shares to place AHL DP Limited into liquidation.

In addition, there can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner which adversely affects the Fund or its Unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner which adversely affects the distributions received by the Fund or by the Unitholders.

ORGANIZATION AND MANAGEMENT OF THE FUND

Manager, Trustee and Portfolio Manager Next Edge Capital Corp. 1 Toronto Street Suite 200 Toronto, Ontario M5C 2V6	The Manager is a corporation established under the laws of Canada, with its office in Toronto, Ontario. As Manager, we manage the overall business and operations of the Fund, including such matters as administration services and fund accounting. The Fund is organized as a unit trust. When you invest in the Fund, you are buying units of the trust. As Trustee, we are the legal owner of the assets of the Fund and hold those assets on your behalf. As Portfolio Manager, we are responsible for portfolio management and advisory services for the Fund. The Portfolio Manager makes the purchase and sale decisions for securities in the Fund's portfolio.

Custodian RBC Investor Services Trust Toronto, Ontario	The Custodian has physical custody of the Fund's property. The Fund has a single custodian, as identified in the Annual Information Form.
Registrar, Administrator and Valuation Agent RBC Investor Services Trust Toronto, Ontario	The Administrator and Valuation Agent provides administrative services to the Fund, including maintaining the accounting records of the Fund, fund valuation and net asset value calculation and financial reporting services. The Registrar keeps track of the owners of units of each of the Fund, processes purchases, redesignation and redemption orders, maintains the unit register, issues investor account statements and trade confirmations and issues annual tax reporting information. The Manager continues to be responsible for the services provided by the Administrator and Valuation Agent.
Auditor Ernst & Young LLP Toronto, Ontario	The independent auditor is responsible for auditing the annual financial statements of the Fund and expressing an opinion based on its audit as to whether such financial statements comply in all material respects with International Financial Reporting Standards. Ernst & Young LLP is independent of the Fund in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.
Independent Review Committee	In accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds*, the manager has established the Independent Review Committee (the "**IRC**") to which the manager will refer conflict of interest matters for review or approval in respect of the Fund. The IRC will provide independent oversight of conflict of interest matters that may arise between Next Edge and the Fund. Among other things, the IRC prepares, at least annually, a report of its activities for Unitholders of the Fund that is available on the Internet site of the manager at www.nextedgecapital.com. The report may also be obtained by Unitholders, upon request and at no cost, by contacting the manager at 1-877-860-1080 or by email at info@nextedgecapital.com. The members of the IRC are independent of Next Edge. Additional information concerning the IRC, including the names of the members, is available in the Fund's Annual Information Form.

PURCHASES, REDESIGNATIONS AND REDEMPTIONS

Description of Units

The Fund is permitted to issue an unlimited number of classes and may issue an unlimited number of units of each class. The Fund has created Class A Units, Class F Units, Class H Units, Class J Units, Class K Units, Class L Units and Class M Units.

The classes are subject to their respective minimum investment requirements, as detailed below under "Purchases". The Fund is also only available with confirmation that your IIROC-registered dealer has signed an agreement with us authorizing the dealer to sell such units of the Fund.

In addition to the minimum investment requirements, the following describes the suggested class suitability (your financial advisor can best assist you with determining the right class for you) and any further class eligibility requirements you must meet to qualify to purchase the class.

- *Class A and Class J units*: Available to all investors and may carry an upfront commission at the time of purchase of the units.
- *Class F and Class K units*: Available to investors who are enrolled in a dealer-sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs.
- *Class H units*: Available to investors who are enrolled in select fee-based programs through their broker, dealer or adviser.
- *Class L and Class M units*: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Generally only available for certain individual investors who make a minimum initial investment of $2 million, or such other amount as the Manager may determine, in the Fund. No sales commissions or trailing commissions are payable by us to a dealer for investments in Class M units.

If you cease to satisfy criteria for holding units of a particular class, Next Edge may redesignate your units as such number of units of another class of the same Fund that you are eligible to hold having an aggregate equivalent net asset value.

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 or commissions, as set out in this Simplified Prospectus. The Net Asset Value per Unit of each class will not be the same as a result of the different fees and expenses allocable to each class of Units. The return to the holders of Class A Units, Class F Units, Class H Units, Class L Units and Class M Units is referable to the Class A CAD Shares issued by AHL DP Limited. The return to the holders of Class J Units and Class K Units is referable to the Class C CAD Shares issued by AHL DP Limited. Other than with respect to the management fee of the Investment Manager, the rights and attributes of the Class A CAD Shares and Class C CAD Shares issued by AHL DP Limited are identical.

How We Price the Fund's units

The Fund's net asset value is calculated at the close of regular trading, normally 4:00 p.m. (Eastern Time), on every Monday of each week, or, if not a Business Day, on the following Business Day, or such other day or days of each week as determined from time to time by the Manager (a "**Valuation Day**").

The net asset value of the Fund will be calculated in Canadian dollars. All classes of Units are denominated in Canadian dollars.

The Fund's units are divided into the Class A Units, Class F Units, Class H Units, Class J Units, Class K Units, Class L Units and Class M Units. Each class is divided into units of equal value. When you invest in the Fund, you are purchasing units of a specific class of the Fund.

A separate net asset value per unit is calculated for each class of units (the "**Unit Price**"). The Unit Price is the price used for all purchases, redesignations and redemptions of units of that class (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

Here is how we calculate the Unit Price of each class of each of the Fund:

- We take the fair value of all the investments and other assets allocated to the class.
- We then subtract the liabilities allocated to that class. This gives us the net asset value for the class.
- We divide this amount by the total number of units of the class that investors in the Fund are holding. That gives us the Unit Price for the class.

Although the purchases and redemptions of units are recorded on a class basis, the assets attributable to all of the class of the Fund are pooled to create one fund for investment purposes.

Each class pays its proportionate share of fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each class means that each class has a different Unit Price.

Any purchase, redesignation or redemption instruction received after 4:00 p.m. (Toronto time) on the third Business Day immediately preceding a Valuation Day will be processed on the next Valuation Day.

As Manager, we are responsible for determining the net asset value of the Fund. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator. You can get the net asset value of the Fund or the Unit Price of a class of the Fund, at no cost, by sending an email to info@nextedgecapital.com, on Next Edge's website at www.nextedgecapital.com, by calling us toll free at 1-877-860-1080 or by asking your Dealer.

Purchases

You may purchase any class of units of the Fund through an IIROC registered dealer that has entered into a distribution agreement with us to sell the Fund. See "Description of Units" for a description of each class of units offered by the Fund. The issue price of units is based on the Unit Price for that particular class.

The minimum initial investment in Class A Units, Class F Units, Class H Units, Class J Units and Class K Units of the Fund is $5,000, while the minimum initial investment in Class L Units and Class M Units is $2,000,000. The minimum subsequent investment in the Class A Units, Class F Units, Class H Units, Class J Units and Class K Units is $1,000**.** The minimum subsequent investment in the Class L Units and Class M Units is $1,000. These minimum investment amounts may be adjusted or waived in the discretion of Next Edge.

If we receive your purchase order before 4:00 p.m. (Toronto time) on the third Business Day immediately preceding a Valuation Day, we will process your order at the Unit Price calculated on such Valuation Day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

Please contact your dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Toronto time) deadline on the third Business Day immediately preceding a Valuation Day. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in the Fund is credited to the Fund, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. If the Fund does not receive payment in full within the required time, we will sell the units that you bought. If we sell them for more than you paid, the Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. We do not issue certificates when you purchase the Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order.

At Next Edge's sole discretion, the Fund may suspend new subscriptions of the fund units.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to each class.

Redemptions

If we receive your redemption order before 4:00 p.m. (Toronto time) on the third Business Day immediately preceding a Valuation Day, we will process your order at the Unit Price calculated on such Valuation Day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

The latest we will send you your money will be ten business days after the Valuation Day used to process your sell order. Required documentation may include a written order to sell with your signature, guaranteed by an acceptable guarantor. If you redeem through your Dealer, they will advise you what documents they require. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the Fund, not to your account. Redemption payments will be made in Canadian dollars.

Under exceptional circumstances we may be unable to process your redemption order. This would most likely occur if market trading has been suspended on stock exchanges, options exchanges or futures exchanges on which more than 50% by value of the Fund's assets are listed and if the Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative. In addition, the redemption of Units may be suspended by the Manager during any period in which redemptions of the AHL DP Shares are suspended or postponed. During these periods units will also not be issued or redesignated.

The Fund may postpone a redemption payment during any period which redemption rights are suspended in the circumstances described above as required by securities legislation or with the approval of the applicable securities regulatory authorities.

There are no redemption fees for the Fund, except as described under "*Short-Term Trading Fee*".

Redesignations between Classes of the Same Fund

You may redesignate all or part of your investment from one class of units to another class of units of the Fund, as long as you are eligible to hold that class of units. This is called a redesignation.

If we receive your redesignation order before 4:00 p.m. (Toronto time) on the third Business Day immediately preceding a Valuation Day, we will process your order at the Unit Price calculated on such Valuation Day. Otherwise, we will process your order at the Unit Price calculated on the next Valuation Day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. Orders received after that earlier closing time would be processed on the next Valuation Day.

You may have to pay a fee to your Dealer to effect such a redesignation. You negotiate the fee with your investment professional. See "Fees and Expenses" for details.

The value of your investment, less any fees, will be the same immediately after the redesignation. You may, however, own a different number of units because each class may have a different Unit Price. Redesignating units from one class to another class of the same fund is generally not a disposition for tax purposes. Please see "*Certain Canadian Federal Income Tax Considerations for Investors*" for details.

Short-Term Trading

We have adopted policies and procedures to detect and deter inappropriate and excessive short-term trading.

Inappropriate short-term trading in units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

In order to protect the interest of the majority of Unitholders in the Fund and to discourage inappropriate short-term trading in the Fund, investors may be subject to a short-term trading fee. If an investor redeems units of the Fund within 90 days of purchasing such units, the Fund may deduct and retain, for the benefit of the remaining Unitholders in the Fund, two percent (2%) of the net asset value of the units of the particular class of the Fund being redeemed. In addition, the Manager may reject future purchase orders.

We also consider excessive short-term trading as a combination of purchases and redemptions that occurs with such frequency within a 30-day period that we believe is detrimental to the Fund`s investors.

Inappropriate short-term trading may harm Fund investors who do not engage in these activities by diluting the NAV of the Fund's units as a result of the market timing activities of other investors. Inappropriate and excessive short-term trading may cause the Fund to carry an abnormally high cash balance and/or high portfolio turnover rate, both of which may reduce the Fund's returns.

We may take such additional action as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity and the subsequent rejection of further purchases by you if you continue to attempt such trading activity and/or closure of your account.

In determining whether a short-term trade is inappropriate or excessive, we will consider relevant factors, including the following:

- *bona fide* changes in investor circumstances or intentions;
- unanticipated financial emergencies;
- the nature of the Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Fund or to us.

The short-term trading fee will not apply in certain circumstances, such as:

- redemptions of units by another fund managed by Next Edge;
- redemptions of units purchased by the reinvestment of distributions;
- for systematic withdrawal plans;
- redesignation of units from one class to another class of the Fund;
- redemptions initiated by Next Edge or where redemption notice requirements have been established by Next Edge;
- redemptions of units to pay management fees, administration fees, operating expenses, fund costs and/or advisor fees with respect to Class I units; or
- in the absolute discretion of Next Edge.

OPTIONAL SERVICES

Pledges

We have the right to refuse any requests made by an investor to pledge any of his/her or its units of the Fund.

Registered Plans

You can open certain registered plans through your Dealer. The following plans are eligible to invest in the Fund (collectively referred to as "Registered Plans"):

- registered retirement savings plans ("**RRSPs**"), including
  - locked-in retirement accounts ("**LIRAs**"),
  - locked-in retirement savings plans ("**LRSPs**"),
  - restricted locked-in savings plans ("**RLSPs**"),
- registered retirement income Fund ("**RRIFs**"), including
  - life income Fund ("**LIFs**"),
  - locked-in retirement income Fund ("**LRIFs**"),
  - prescribed retirement income Fund ("**PRIFs**"),
  - restricted life income Fund ("**RLIFs**"),
- tax-free savings accounts ("**TFSAs**"),
- registered education savings plans ("**RESPs**"), and

- deferred profit-sharing plans ("**DPSPs**").

We do not permit units of the Fund to be held within registered disability savings plans ("**RDSPs**"). Please see the "*Fund Eligibility Requirements*" section for more information.

FEES AND EXPENSES

The following sections list the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund. Your financial advisor will assist you in choosing the appropriate purchase option for you. Some of these fees and expenses are subject to Goods and Services Tax ("**GST**") and may be subject to Harmonized Sales Tax ("**HST**"), including management fees, performance fees and fund costs. Interest and sales charges, if any, are not currently subject to GST or HST.

The Fund is required to pay GST or HST on management fees payable to the Manager in respect of each class, performance fees payable to the Manager in respect of each class and on fund costs attributed to each class, based on the residence for tax purposes of the Unitholders of the particular class. GST is currently charged at a rate of 5% and HST is currently charged at a rate of between 13% and 15% depending on the province or territory.

Generally, (i) any changes to the basis of calculation of a fee or expense that is charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with holding of units of the Fund or (ii) the introduction of a new fee or expense that could, in either case, result in an increase in those charges is subject to unitholder approval except that, subject to applicable securities law requirements:

(a) no unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense to the Fund and if written notice is sent to all Unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Fund; and

(b) no unitholder approval will be required for units that are purchased on a no load basis, if written notice is sent to all Unitholders of such units at least 60 days before the effective date of the change that could result in an increase in charges to the Fund.

The table below lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

Fees and Expenses Payable by the Fund	
Management Fee and Service Fees to Registered Dealers	The Manager receives a management fee payable by the Fund for providing its services to the Fund. The management fee varies for each class of units. The management fee is calculated weekly in arrears based on a percentage of the net asset value of the class of units of the Fund at the annual rates set out below, plus applicable taxes, and is payable on the last day of each calendar quarter. The Manager pays a service or trailer fee (the "**Service Fee**") plus applicable taxes to registered dealers based on the respective number of Units held by their clients at the annual rates set out below, calculated weekly and payable on or about 45 days following the last day of each calendar quarter. The Manager pays the Service Fees to registered dealers out of its assets, including Manager's Fee, and is not

Fees and Expenses Payable by the Fund	
	reimbursed for these payments. As shown below, the annual management fees vary by class. You should make a specific request through your Dealer to purchase any applicable lower-fee class you may be eligible to purchase, or to switch your existing units to any applicable lower-fee class you may be eligible to purchase.

Class of Units	*FundSERV Code*	*Management Fee as percentage of NAV of Units per annum*	*Service Fees as percentage of NAV of Units per annum*
Class A Units	NEC 111	2.25%	1.25%
Class F Units	NEC 173	1.00%	0.00%
Class H Units	NEC 181	0.00%	0.00%
Class J Units	NEC 208	2.00%	1.00%
Class K Units	NEC 209	1.00%	0.00%
Class L Units	NEC 311	1.25%	1.25%
Class M Units	NEC 373	0.00%	0.00%

	No Service Fees are payable in respect of the Class F Units, Class H Units, Class K Units and Class M Units. Service Fees may be modified or discontinued by the Manager at any time. In consideration of the management fee, Next Edge will provide investment management, clerical, administrative and operational services to the Fund, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to the Fund; receiving and processing all subscriptions and redemptions; ensuring the Fund complies with regulatory requirements and filings; offering units of the Fund for sale to prospective purchasers; conducting foreign exchange transactions; purchase, retain, sell and call and put options, futures contracts, or other similar financial instruments; daily operations and usual and ordinary office services; unitholder relations and communications; appointing or changing the auditor of the Fund; banking; establish the Fund's operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each class of the Fund the net asset value of the Fund, any distribution of the Fund, the net assets of the Fund, the Fund's property, any liabilities of the Fund, and any other items. The Manager may delegate the foregoing to third parties if it believes it is in the best interests of Unitholders.
Management Fee Distributions	In order to encourage very large investments in the Fund and to achieve effective management fees that are competitive for these large investments, the Manager may agree to waive a portion of the management fee that it would otherwise be entitled to receive from the Fund or a unitholder with respect to a unitholder's investment in the Fund. An amount equal to the amount so waived may be distributed to such unitholder by the Fund or the Manager, as applicable, (called a "**Management Fee Distribution**"). In this way, the cost of Management Fee Distributions is effectively borne by the Manager, not the Fund or the unitholder, as the Fund or the unitholder, as applicable, are paying a discounted management

Fees and Expenses Payable by the Fund	
	fee. Management Fee Distributions, where applicable, are calculated and credited to the relevant unitholder on each business day and distributed on a monthly basis, first out of net income and net realized capital gains of the Fund and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional units of the relevant class of the Fund. The payment of Management Fee Distributions by the Fund or the Manager, as applicable, to a unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the Fund, and the unitholder's financial advisor and/or dealer, and is primarily based on the size of the investment in the Fund. The Manager will confirm in writing to the unitholder's financial advisor and/or dealer the details of any Management Fee Distribution arrangement.
Operating Expenses	The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by Next Edge. The operating expenses of the Fund will include, without limitation, preparing, mailing and printing expenses for renewal Simplified Prospectuses, periodic reports to Unitholders and other Unitholder communications including marketing and advertising expenses; fees payable to the Registrar, Administrator and Valuation Agent and the independent pricing service for performing certain valuation services; fees payable to any custodian of the assets of the Fund; fees payable to the registrar and transfer agent for performing certain financial, record-keeping, reporting and general administrative services; fees payable to accountants, the auditors and legal advisors; ongoing regulatory fees, licensing fees and other fees; external bookkeeping fees and the costs associated with FundSERV; any reasonable out-of-pocket expenses incurred by the Manager or their respective agents in connection with their ongoing obligations to the Fund; any additional fees payable to the Manager for performance of extraordinary services on behalf of the Fund; any taxes payable by the Fund or to which the Fund is subject, interest expenses, expenses relating to portfolio transactions and any expenditures that may be incurred upon the termination of the Fund. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager or the Trustee is entitled to indemnity by the Fund. The Fund will be subject to an independent audit and report thereon to the Trustee and the Manager will provide full access to its books and records for such purpose. The Fund will also be responsible for any extraordinary expenses which it may incur from time to time. The Fund pays for all expenses incurred in connection with its operation and administration, which expenses will be allocated *pro rata* to each class of Units. Common expenses such as audit and custody fees will be allocated among all classes in the manner determined to be the most appropriate based on the nature of the expense. Although the expenses of the Fund attributable to a particular class of Units will be deducted in calculating the NAV per Unit of that class, those expenses will continue to be liabilities of the Fund, as a whole, and the assets of the Fund, as a whole, could be called upon to satisfy those liabilities. In addition, all deductible expenses of the Fund, both common and class expenses, will be taken into account in computing the income or loss of the Fund for tax purposes and,

Fees and Expenses Payable by the Fund	
	therefore, all expenses will impact the tax position of the Fund. The Manager may establish an upper limit on the total annual operating expenses of the Fund. The Manager or its affiliates may pay for certain operating expenses of the Fund in order to maintain the Fund's annual operating expenses within any such established limit. Each class of Units is responsible for the expenses specifically related to that class and a proportionate share of expenses that are common to all classes of Units. The Manager may, in some cases, at its discretion, pay a portion of the Fund's operating expenses. The Fund also pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chair, is paid, as compensation for his services, $9,000 (plus applicable taxes or other deductions) per annum. The Chair is paid $12,000 (plus applicable taxes or other deductions) per annum. Management expense ratios ("**MERs**") are calculated separately for each class of units of the Fund and includes class management fees and/or operating expenses. The Fund also pays its own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in the Fund's MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute part of the Fund's trading expense ratio ("**TER**"). Both the MER and the TER are disclosed in the Fund's annual and semi-annual Management Report of Fund Performance.
Fees and Expenses Payable by AHL DP Limited	
Investment Manager's Fees	As compensation for managing the Underlying Assets, the Investment Manager will receive out of the Underlying Assets the following fees: (a) an investment management fee (calculated weekly and charged as at each valuation date and payable monthly) of: (i) up to one fifty-second (1/52) of 2.00% (approximately 2.00% per annum) of the Investment Exposure of the Class A CAD Shares at the relevant valuation date; and (ii) up to one fifty-second (1/52) of 1.00% (approximately 1.00% per annum) of the Investment Exposure of the Class C CAD Shares at the relevant valuation date; and (b) a performance fee (calculated and charged weekly as at each valuation date and payable monthly) of: (i) up to 20.00% of the Net New Appreciation per Class A CAD Share (after deducting management fees for the period but prior to

Fees and Expenses Payable by the Fund	
	the calculation and deduction of the performance fee itself) multiplied by the number of Class A CAD Shares in issue. "**Net New Appreciation per Class A CAD Share**" is the excess of the net asset value per Class A CAD Share at the relevant Valuation Date over the previous highest net asset value per Class A CAD Share at any preceding Valuation Date on which the performance fee has been paid. Performance fees are only payable if the Net New Appreciation per Class A CAD Share exceeds a previously highest attained value; and (ii) up to 20.00% of the Net New Appreciation per Class C CAD Share (after deducting management fees for the period but prior to the calculation and deduction of the performance fee itself) multiplied by the number of Class C CAD Shares in issue. "**Net New Appreciation per Class C CAD Share**" is the excess of the net asset value per Class C CAD Share at the relevant Valuation Date over the previous highest net asset value per Class C CAD Share at any preceding Valuation Date on which the performance fee has been paid. Performance fees are only payable if the Net New Appreciation per Class C CAD Share exceeds a previously highest attained value.
Services Management Fee	In consideration for the services provided by the AHL DP Manager pursuant to the Services Management Agreement, AHL DP Limited, in respect of each class of AHL DP Shares, will pay the AHL DP Manager a fee (calculated weekly and paid at the relevant valuation date) of up to 0.15% (approximately 0.15% per annum) of the net asset value of the AHL DP Shares at the relevant valuation date.
Operating Expenses of AHL DP Limited	Each class of AHL DP Shares will be subject to, directly or indirectly, all reasonable expenses incidental to AHL DP Limited's operations and business, the cost of which may vary, including, without limitation: (a) all investment expenses; (b) all fees and expenses of transactional, risk, market, consumer and industry data and information and other alternative data (e.g. news and quotation equipment and services (including fees due to data and software providers, exchanges and other third party data and information vendors and other non-traditional data and information sources)), all fees for academic research data and trade-related services (e.g., transaction costs, trade ideas and/or alpha capture), currency hedging costs, listing and audit costs, clearing and settlement charges, custodial fees, interest expense, consulting, investment banking and any other professional fees or compensation relating to particular investments; (c) the costs of AHL DP Limited's service providers including, without limitation, external accounting, legal, custodial, audit, tax preparation and advice, paying agent and company secretarial fees and expenses (other than the costs of the administrator of AHL DP Limited which are borne by the services manager of AHL DP Limited); (d) fees and expenses of the directors of AHL DP Limited and all of the costs of insurance for the benefit of the directors (if any) of AHL DP Limited; (e) promotional and marketing expenses; (f) all entity-level taxes and similar amounts and corporate fees payable to governments or agencies; (g) all communication expenses with respect to investor services, of preparing, printing and distributing financial and

Fees and Expenses Payable by the Fund	
	other reports, proxy forms, Simplified Prospectuses and similar documents to holders of AHL DP Shares and all expenses of meetings of holders of AHL DP Shares; (h) all interest on borrowings; (i) liquidation costs; (j) out-of-pocket costs and expenses suffered or incurred by the services manager of AHL DP Limited for the benefit of AHL DP Limited including expenses, if any, incurred by the service providers and charged to them and paid on behalf of AHL DP Limited by the services manager of AHL DP Limited; (k) external legal and compliance expenses (which include, without limitation, responding to formal and informal inquiries, subpoenas, investigations and other regulatory matters, indemnification expenses and expenses associated with regulatory filings relating to AHL DP Limited); and (l) all administrative expenses. A portion of these fees or expenses may be paid to affiliates of the Investment Manager that provide such services, directly or indirectly, to AHL DP Limited, provided that such fees and expenses will be no more than would be charged for similar services by arm's length third parties.
Fees and Expenses Payable Directly by You	
Sales Commissions	Your Dealer may charge you a sales commission of up to 3% based on the net asset value of the applicable class of units of the Fund you acquire when you buy Class A Units, Class J Units and Class L Units. You may negotiate the amount with your Dealer. There are no sales commissions for Class F Units, Class H Units, Class K Units or Class M Units. Sales commissions may be modified or discontinued by the Manager at any time.
Redesignation Fees	Your Dealer may charge you a redesignation fee, as applicable, of up to 3% based on the net asset value of the applicable class of units of the Fund you redesignate. You may negotiate the amount with your Dealer. Dealers' fees for redesignations are paid by redeeming units held by you. See "*Certain Canadian Federal Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*" section of this Simplified Prospectus.
Redemption Fees	The Fund does not charge a redemption fee. However, the Fund may charge a short-term trading fee if you redeem your units within 90 days of buying them. Please see "*Short-Term Trading Fee*" section of this Simplified Prospectus.
Short-Term Trading Fee	A fee of 2% of the amount redeemed may be charged if you redeem units of the Fund within 90 days of purchasing such units and/or your trading is part of a pattern of short-term trading that we believe is detrimental to Fund investors. For a description of Next Edge's policy on short-term trading please see the disclosure under the subheading "*Short-Term Trading Fee*" under the heading "*Fund Governance*" in the Annual Information Form. The short-term trading fees charged will be paid directly to the Fund, and is designed to deter excessive trading and offset its associated costs. For the purposes of determining whether the fee applies, we will consider the units that were held the longest to be units which are redeemed first. At Next Edge's discretion, the fee

Fees and Expenses Payable by the Fund	
	will not apply in certain circumstances, such as: • redemptions of units by another Next Edge Fund; • redemptions of units purchased by the reinvestment of distributions; • redesignation of units from one class to another class of the same Fund; • redemptions initiated by Next Edge or where redemption notice requirements have been established by Next Edge; or • in the absolute discretion of Next Edge.
Registered Tax Plan Fees	Your Dealer may charge you a fee for this service. You may negotiate the amount with your Dealer.

Impact of Sales Commissions

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of $1,000 in the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

Sales commissions may apply when you purchase Class A Units, Class J Units and Class L Units of the Fund. The sales commissions may be negotiated between you and the Dealer. There are no sales commissions payable on Class F Units, Class H Units, Class K Units or Class M Units of the Fund.

	Sales Charge At Time of Purchase	Redemption Fee(1) Before End of			
		1 Year(1)	3 Years	5 Years	10 Years
Sales Charge Option	Up to $30	Nil	Nil	Nil	Nil

(1) There is no redemption fee. However, a short-term trading fee may apply only if you redeem your units within 90 days of purchasing them.

DEALER COMPENSATION

Your Dealer may receive three types of compensation – sales commissions, trailing commissions and redesignation fees.

Sales Commissions – You pay this commission to your Dealer at the time of purchase of Class A, Class J and Class L Units of the Fund. The maximum sales commission you may pay is 3% based on the net asset value of the applicable class of units of the Fund you acquire. You may negotiate this amount with your Dealer. There are no sales commissions payable to your Dealer for Class F Units, Class H Units, Class K Units or Class M Units of the Fund. Please see "*Purchases, Redesignations and Redemptions*" section of this Simplified Prospectus for further details.

Trailing Commissions – From its annual management fee, for Class A Units, Class J Units and Class L Units of the Fund, we pay dealers an ongoing annual Service Fee known as a "trailing commission", based on the total value of Class A units, Class J Units and Class L Units held in your account with the dealer. There are no trailing commissions paid on Class F Units, Class H Units, Class K Units and Class M Units of the Fund. The trailing commissions are paid quarterly at a current annual rate of up to 1.25%

of the value of the Class A Units and Class L Units held by clients of the dealer and up to 1.00% of the value of the Class J Units held by clients of the dealer. In circumstances where Fund securities are purchased through discount brokerage accounts, we may also pay trailing commissions to the discount broker. Trailing commissions may be modified or discontinued by the Manager at any time.

Redesignation Fees – You may pay the redesignation fee, as applicable, to your Dealer at the time of redesignating from one class of units to another class of units in the same Fund. The maximum redesignation fee you may pay is 3% based on the net asset value of the applicable class of units of the Fund being redesignated. You may negotiate this amount with your Dealer. Dealers' fees for redesignations are paid by redeeming units held by you. See "*Certain Canadian Federal Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*" section of this Simplified Prospectus.

Other Kinds of Dealer Compensation

We may provide a broad range of marketing support programs to dealers which include research materials on the Fund and pre-approved advertising copy relating to the Fund. We may also provide advertising programs for the Fund which may indirectly benefit your Dealer, and in some cases, may share with your Dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your Dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors nonmonetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Fund, and only in accordance with the our policies and the rules set out in National Instrument 81-105 *Mutual Fund Sales Practices*.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary, at the time of filing, of certain of the principal Canadian federal income tax considerations generally applicable to you as an investor in units of the Fund offered under this Simplified Prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the Tax Act and at all times, (i) is a resident of Canada, (ii) deals at arm's length and is not affiliated with the Fund, and (iii) holds units as capital property.

Generally, Units will be considered to be capital property to a holder provided the holder does not hold the Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have their Units, and all other "Canadian securities" owned or subsequently owned by such Unitholders, treated as capital property by making an irrevocable election in accordance with subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors in this regard.

This summary assumes that no Unitholder has entered or will enter into a "derivative forward agreement" (as that term is defined in the Tax Act) with respect to the Units. This summary also assumes that, at all times, AHL DP Limited will not be and will not be deemed to be a "controlled foreign affiliate" of the Fund within the meaning of the Tax Act. This summary also assumes that AHL DP Limited does not carry on business in Canada for the purposes of the Tax Act or is otherwise subject to tax in Canada.

This summary is based on the facts set out in this Simplified Prospectus, the current provisions of the Tax Act and the regulations promulgated thereunder, all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and an understanding of the current published administrative policies and assessing practices of the CRA. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. There can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances, including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Fund

This summary is based on the assumption that the Fund will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act.

To qualify as a mutual fund trust, (i) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or immovables or real rights in immovables), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of Units. The Manager believes that, as of the date hereof, the Fund meets the requirements necessary for it to qualify as a mutual fund trust.

An additional condition to qualify as a mutual fund trust for the purposes of the Tax Act is that the Fund may not be established or maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than "taxable Canadian property" within the meaning of the Tax Act (if the definition of that term were read without reference to paragraph (b) of that definition).

If the Fund were not to qualify or continue to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

This summary is also based on the assumption that the Fund will at no time be a "SIFT trust" as defined in the Tax Act. This, in turn, is based on the assumption that the Units will, at no time, be listed or traded on a stock exchange or other public market. For the purpose of such rules, the redemption mechanism does not result in the Units being considered to be traded on a public market.

This summary assumes that the Fund at no time will (i) be a "financial institution" for the purposes of certain mark-to-market rules in the Tax Act or (ii) earn any "designated income" for the purposes of Part XII.2 of the Tax Act. This summary also assumes that Units of the Fund will not be a "tax shelter investment" for the purposes of the Tax Act and the Fund will comply with its investment restrictions at all times.

AHL DP Limited will be a "foreign affiliate" of the Fund within the meaning of the Tax Act. As a result, the Fund will be required to file an annual information return and provide detailed information relating to AHL DP Limited and the Fund's holdings in AHL DP Limited.

Taxation of the Fund

The Fund will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, including net realized taxable capital gains, interest income and dividends received in the year on shares of corporations, less the portion thereof that it claims in respect of amounts paid or payable to Unitholders (whether in cash or in Units) in the year. An amount will be considered to be payable to a Unitholder in a taxation year if it is paid in the year by the Fund or the Unitholder is entitled in that year to enforce payment of the amount. The Fund intends to make sufficient distributions in each year of its net income and net capital gains for tax purposes, thereby permitting the Fund to deduct sufficient amounts so that the Fund will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

The Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the disposition of AHL DP Shares in connection with the redemption of Units and Fund distributions.

In determining the income of the Fund, gains or losses realized upon dispositions (including redemptions) of AHL DP Shares will constitute capital gains or capital losses of the Fund in the year realized unless the Fund is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager believes that the Fund will purchase AHL DP Shares with the objective of earning dividends and participating in the long-term capital appreciation of the AHL DP Shares and will take the position that gains and losses realized on the disposition of the AHL DP Shares are capital gains and capital losses.

One-half of the amount of any capital gain (a "taxable capital gain") realized by the Fund in a taxation year must be included in computing the Fund's income for the year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by the Fund in a taxation year may be deducted against any taxable capital gains realized by the Fund in the year. Any excess of allowable capital losses over taxable capital gains for a taxation year may be deducted against taxable capital gains realized by the Fund in any of the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

In computing its income, the Fund may deduct reasonable administrative and other expenses incurred to earn income and such other expenses as permitted by the Tax Act. Any losses incurred by the Fund may not be allocated to Unitholders but may generally be carried forward and back and deducted in computing the taxable income of the Fund in accordance with the detailed rules and limitations in the Tax Act.

The Fund is required to compute all relevant amounts, including interest, the cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of income, expenses and capital gains or capital losses for of the Fund may be affected by changes in the value of a foreign currency relative to the Canadian dollar.

The Fund may be subject to alternative minimum tax in any taxation year throughout which the Fund is not a "mutual fund trust" for the purposes of the Tax Act.

The Tax Act contains rules which may require a taxpayer, including the Fund, to include in income in each taxation year an amount in respect of the holding of an "offshore investment fund property". The offshore investment fund property rules may apply to the Fund in respect of the acquisition and holding of the AHL DP Shares if, but only if: (a) the value of such AHL DP Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing ("Investment Assets"); and (b) it may reasonably be concluded, having regard to all the circumstances, that one of the main reasons for the Fund acquiring, holding or having an interest in the AHL DP Shares was to derive a benefit from portfolio investments in any Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Fund.

If applicable, these rules would generally require the Fund to include in its income for each taxation year in which the Fund owns AHL DP Shares the amount, if any, by which (i) an imputed return from the taxation year computed on a monthly basis and calculated as the product obtained when the Fund's "designated cost" (within the meaning of the Tax Act) of such shares at the end of a month, is multiplied by 1/12th of the sum of the applicable prescribed rate plus two percent, exceeds (ii) the Fund's income for the year (other than a capital gain) in respect of such interests determined without reference to these rules. The prescribed rate for this purpose is a quarterly rate based on the average equivalent yield of Government of Canada 90-day treasury bills sold during the first month of the immediately preceding quarter. Any amount required to be included in computing the Fund's income in respect of an offshore investment fund property would be added to the adjusted cost base to the Fund of the AHL DP Shares.

The Fund may be subject to the Loss Restriction Rules contained in the Tax Act that apply to a trust, including the Fund, each time the trust experiences a "loss restriction event" for tax purposes, which generally occurs each time a person (or partnership) becomes a "majority-interest beneficiary" of the trust. A Unitholder will be a majority-interest beneficiary of the Fund at any time when Units held by that Unitholder and all persons with whom that Unitholder is affiliated are beneficially entitled to greater than 50% of the capital or income the Fund. A Unitholder may become a majority-interest beneficiary of the Fund because the Unitholder either alone or with its affiliates acquires Units of the Fund or because another person redeems Units.

Furthermore, the Fund may be subject to the "suspended loss" rules contained in the Tax Act, which would generally apply where the Fund disposes of property and subsequently reacquires the property or acquires an identical property within the time period that begins 30 days before the disposition and ends 30 days following the disposition, and the Fund continues to own the reacquired or newly-acquired property following that period. Where the "suspended loss" rules apply, any losses arising from the initial disposition of property would be denied but may be realized at a future point in time in accordance with the rules in the Tax Act.

Taxation of Canadian Unitholders

A Unitholder will generally be required to include in computing income for a taxation year the amount of the Fund's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder (whether in cash or in Units) in the taxation year, including any portions of amounts paid on redemption treated as distributions of income or gains by the Fund. The non-taxable portion of the Fund's net realized capital gains paid or payable to a Unitholder in a taxation year will not be included in the Unitholder's income for the year. Any other amount in excess of the Fund's net income for a taxation year paid or payable to the Unitholder in the year will not generally be included in the Unitholder's income. Such amount, however, will generally reduce the adjusted cost base of the Unitholder's Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder's adjusted cost base will be increased by the amount of such deemed capital gain. The holders of certain classes of Units bear higher management fees than holders of other classes in respect of their investment in the Fund. As a result, to the extent that there are distributions on the Units, the tax characterization of such distributions will vary between the classes such that for holders of classes with higher fees a higher percentage of the distribution to those holders will be characterized as return of capital rather than income (including net realized taxable capital gains). Any losses of the Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate designations are made by the Fund, such portion of the net realized taxable capital gains of the Fund as is paid or becomes payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act.

Under the Tax Act, the Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions for the year. This will enable the Fund to utilize, in a taxation year, losses from prior years. The amount distributed to a Unitholder but not deducted by the Fund will not be included in the Unitholder's income. However, the adjusted cost base of the Unitholder's Units will be reduced by such amount.

On the disposition or deemed disposition of a Unit, including on a redemption, the Unitholder will realize a capital gain (or capital loss) to the extent that the Unitholder's proceeds of disposition (other than any amount payable by the Fund which represents an amount that is otherwise required to be included in the Unitholder's income as described above) exceed (or are less than) the aggregate of the adjusted cost base of the Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base of Units to a Unitholder, when Units are acquired, the cost of the newly acquired Units will be averaged with the adjusted cost base of all identical Units owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution of income or capital gains will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base to a Unitholder of Units.

One-half of any capital gain realized on the disposition of Units will be included in the Unitholder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Tax Act. In general terms, taxable capital gains realized on the disposition of Units as well as net income of the Fund paid or payable to the Unitholder that is designated as net realized taxable capital gains may increase the Unitholder's liability for alternative minimum tax.

The Net Asset Value per Unit will reflect any income and gains of the Fund that have accrued or have been realized but have not been made payable at the time the Units are acquired. Accordingly, a Unitholder who acquires Units may become taxable on the Unitholder's share of income and gains of the Fund that accrued before the Units were acquired, notwithstanding that such amounts will have been reflected in the price paid by the Unitholder for the Units.

Management Fee Distributions, if any, that are received by Unitholders, to the extent that they are paid from the net income (including the taxable portion of capital gains) of the Fund, will generally be required to be included in the Unitholder's income for the taxation year in which such distributions are received.

To the extent that a Management Fee Distribution represents a return of capital, the adjusted cost base of the Units held by the Unitholder will be reduced by the amount of the Management Fee Distribution.

Based on the current published administrative policies and assessing practices of the CRA, a redesignation of Units of one Class into Units of another Class should not be considered to constitute a disposition of such Units for the purposes of the Tax Act.

Calculating the Adjusted Cost Base of a Unit of the Fund

You must separately compute the adjusted cost base in respect of each class of Units of the Fund you own. The adjusted cost base in respect of any class of Units of the Fund that you own must be calculated in Canadian dollars.

The total adjusted cost of your Units of a particular class of Units of the Fund (the "subject class") is generally equal to:

- the total of all amounts you paid to purchase those Units, including any sales charges paid by you at the time of purchase;

  plus

- the adjusted cost base of any Units of another class of Units of the Fund that you hold that were redesignated as units of the subject class;

  plus

- the amount of any reinvested distributions in respect of Units of the subject class;

  less

- the return of capital component of distributions paid to you in respect of your Units of the subject class; and

  less

- the adjusted cost base of any of your Units of the subject class that have been redeemed.

The adjusted cost base of a single Unit of a subject class is the total adjusted cost base of Units of the subject class held by you divided by the number of Units of the subject class that you hold at the relevant time.

Taxation of Registered Plans

Amounts of income and capital gains payable to a Registered Plan in respect of Units are generally not taxable under Part I of the Tax Act, provided that the Units are qualified investments for the Plan. See "*Eligibility for Investment*". Unitholders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Registered Plan.

Notwithstanding the foregoing, if the Units are "prohibited investments" for a TFSA, RRSP, RESP or RRIF (each, a "**Prescribed Plan**"), the holder of the TFSA, the annuitant of the RRSP or RRIF, or the subscriber of the RESP (a "**Plan Holder**"), as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Units will not be a "prohibited investment" for a Prescribed Plan unless the Plan Holder (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a Plan Holder will not have a significant interest in the Fund unless the Plan Holder owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the Plan Holder does not deal at arm's length. In addition, the Units will not be a "prohibited investment" if such Units are "excluded property" as defined in the Tax Act for a Prescribed Plan.

Plan Holders should consult with their own tax advisers regarding the "prohibited investment" rules based on their particular circumstances.

Tax Implications of the Fund's Distribution Policy

If the Fund has income for tax purposes for a taxation year which is in excess of any distributions paid or made payable to Unitholders during the year and the net realized capital gains of the Fund, the tax on which would not be recovered by the Fund in the year by reason of the Capital Gains Refund provisions of the Tax Act, in order to ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Declaration of Trust provides that a Special Distribution will, if necessary, be automatically payable in the year to Unitholders. Unitholders that receive a distribution of Units from the Fund will be liable to tax in respect of any such distribution without having received cash from the Fund to discharge any resulting tax liability.

International Tax Reporting

Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country, and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, Unitholders are required to provide certain information regarding their investment in the Fund for the purpose of such information exchange unless the investment is held within certain Registered Plans.

U.S. Foreign Account Tax Compliance

The U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into the IGA which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the tax imposed in respect of FATCA under U.S. tax law for Canadian entities such as the Fund, provided that (i) the Fund complies with the terms of the IGA and Part XVIII of the Tax Act and (ii) the government of Canada complies with the terms of the IGA. The Fund will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, Unitholders of the Fund are required to provide identity and residency and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the IRS. The Fund may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Fund is otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of the Fund would reduce the Fund's distributable cash flow and net asset value.

Eligibility for Investment

Provided that the Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all times, Units offered hereby will be "qualified investments" under the Tax Act for Registered Plans. Notwithstanding the foregoing, and the above discussion with respect to Registered Plans, if Units are a "prohibited investment" (for the purposes of the Tax Act) for a Prescribed Plan, the Plan Holder may be subject to a penalty tax as set out in the Tax Act. Prospective Unitholders should consult with their own tax advisors as to whether Units of the Fund would be "prohibited investments" for a Prescribed Plan for the purposes of the Tax Act.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces or territories gives you the right to withdraw from an agreement to buy a mutual fund within two business days of receiving the Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces or territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if: (i) the Fund Facts are not sent or delivered to you within the time required under securities legislation, or (ii) the Simplified Prospectus, annual information form, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

PART B: SPECIFIC INFORMATION ABOUT THE ALTERNATIVE MUTUAL FUND DESCRIBED IN THIS DOCUMENT

This Part provides specific descriptions of the Fund in this Simplified Prospectus. This introduction explains most of the terms and assumptions which appear in the Fund description and information about the Fund.

Fund Details

This is a summary of some basic information about the Fund, such as when it was started, the type of fund that the Fund is best characterized as, the nature of the securities offered by the Fund, and whether the Fund is eligible as an investment for Registered Plans, such as RRSPs, TFSAs, RESPs, etc.

What does the Fund invest in?

This section describes the Fund's fundamental investment objectives and the principal investment strategies that the Portfolio Manager uses in trying to achieve those objectives. It also describes the types of securities the Fund can invest in and how the Portfolio Manager chooses the investments and manages the portfolio.

What are the risks of investing in the Fund?

This section explains some of the risks of investing in the Fund. Please refer to "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a description of each risk factor.

Investment Risk Classification Methodology

The methodology used to determine the investment risk level of the Fund for purposes of disclosure in this Simplified Prospectus is the historical volatility risk as measured by the standard deviation of fund performance, which is the standard methodology outlined in Appendix F *Investment Risk Classification Methodology* to NI 81-102.

The investment risk level for the Fund with at least ten years of performance history will be based on such Fund's historical volatility, as measured by its ten-year standard deviation of performance. The investment risk level for the Fund with less than ten years of performance history will be based on the historical volatility of a reference index that reasonably approximates such Fund's historical performance, as measured by the reference index's ten-year standard deviation of performance.

However, Next Edge recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the historical performance of the Fund (or a reference index used as its proxy) may not be indicative of future returns and that the historical volatility of such Fund (or a reference index used as its proxy) may not be indicative of its future volatility.

The risk rating categories of this methodology are:

- **Low (standard deviation range of 0 to less than 6)** - for a fund with a level of risk that is typically associated with investments in Canadian fixed-income funds and in money market funds;
- **Low to Medium (standard deviation range of 6 to less than 11)** - for a fund with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

- **Medium (standard deviation range of 11 to less than 16) -** for a fund with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/ or international equity securities;
- **Medium to High (standard deviation range of 16 to less than 20) -** for a fund with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and
- **High (standard deviation range of 20 or greater) -** for a fund with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The investment risk level of the Fund is determined when the fund is first created and is reviewed annually. The methodology that Next Edge uses to identify the investment risk level of the Fund is available on request, at no cost, by calling us toll free at 1-877-860-1080 or by writing to us at Next Edge Capital Corp., 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6.

Who should invest in this Fund?

The information is our assessment of the type of investor and the type of portfolio for which the Fund would be most suitable. In this section, we state what type of investor should consider an investment in the Fund having regard to that investor's objectives, i.e., whether the investor is looking to grow their capital over the long term as opposed to an investor who is investing to receive current income; whether an investor should be in a non-registered account; and whether the investor is looking to invest in a specific region or industry. In addition to stating the type of investor for whom an investment in the Fund is suitable, we have also stated the degree of risk tolerance that an investor requires to invest in the Fund.

Distribution Policy

This section explains when the Fund will make distributions. You earn money from the Fund when the Fund distributes amounts to you out of interest, dividend and other income earned and capital gains realized on their underlying investments. Mutual fund trusts may make distributions that are treated as ordinary income, dividend income, capital gains, foreign source income or non-taxable amounts (including returns of capital).

Fund Expenses indirectly borne by investors

The information below is intended to help investors compare the cost of investing in this Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

Exemptions from NI 81-102

The Fund is subject to certain restrictions and practices contained in securities legislation, including NI 81-102, which are designed, in part, to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. We intend to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations. The following provides a description of the exemptions that the Fund has obtained from the provisions of NI 81-102, and/or a description of the general investment activity.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities in each of the provinces and territories of Canada from certain provisions of NI 81-102, NI 81-104 and National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"), to permit the following practices:

(a) relieve the Fund from the restrictions on investments contained in subsection 2.1(1.1), 2.2(1) and 2.5(2)(a.1) of NI 81-102 to permit the Fund to purchase and hold securities of AHL DP Limited, which has adopted the investment restrictions contained in NI 81-102 and is managed in accordance with these restrictions, except as was otherwise permitted by NI 81-104 prior to the implementation of the Alternative Mutual Fund Amendments;

(b) relieve the Fund from the requirement to calculate the Net Asset Value of the Fund on a daily basis, as required under paragraph 14.2(3)(b) of NI 81-106;

(c) relieve the Manager from the requirements to (i) invest at least $50,000 in securities of the Fund, as required under paragraph 3.2(1)(a) of NI 81-104; and (ii) to maintain the investment in the Fund at all times, as required under paragraph 3.2(2)(a) of NI 81-104;

(d) relieve the Fund from certain restrictions on securities lending to permit the Fund to enter into arrangements (i) that are not administered and supervised in accordance with all of the requirements of paragraphs 2.15 and 2.16 of NI 81-102; (ii) that do not fully implement the requirements of paragraph 2.12 of NI 81-102; (iii) in which the aggregate market value of the securities loaned exceeds 50% of the total assets of the Fund; (iv) in which the Fund will not hold or dispose of non-cash collateral delivered to it; (v) in which the Fund will lend securities through an agent that is not the custodian of the Fund or directly to a borrower; and (vi) in which the collateral delivered to the Fund will not be held with the custodian of the Fund (as required under paragraphs 2.12(1)1, 2 and 12, 2.12(3), 2.15, 2.16 and 6.8(5) of NI 81-102); and

(e) relieve the Fund from the requirements contained in subsections 2.5(2)(a), (b) and (c) of NI 81-102 in order to permit the Fund to indirectly gain exposure to the AHL Evolution Programme by means of the AHL Evolution Shares to be held by AHL DP Limited provided that, among other things, the financial statements of AHL Evolution Limited are provided to any Unitholder that requests them.

NEXT EDGE AHL FUND

FUND DETAILS

Type of Fund	Managed Futures Fund		
Date Fund Started:	November 12, 2009		
	Class A, Class F, Class H, Class J, Class K, Class L and Class M Units		
Classes Offered	***Class***	***Date Class Started***	
	Class A Units	December 1, 2009	
	Class F Units	December 1, 2009	
	Class H Units	February 14, 2013	
	Class J Units	December 16, 2014	
	Class K Units	December 16, 2014	
	Class L Units	December 30, 2013	
	Class M Units	December 30, 2013	
Nature of Securities Offered:	Units of a mutual fund trust		
Registered Plan Eligibility:	Eligible for Registered Plans		
Annual Management Fee and Service Fees to Registered Dealers:	***Class of Units***	***Management Fee***	***Service Fees***
	Class A Units	2.25%	1.25%
	Class F Units	1.00%	0.00%
	Class H Units	0.00%	0.00%
	Class J Units	2.00%	1.00%
	Class K Units	1.00%	0.00%
	Class L Units	1.25%	1.25%
	Class M Units	0.00%	0.00%
Investment Manager's Fees:	2.00% of the investment exposure of the Class A CAD Shares of AHL DP Limited 1.00% of the investment exposure of the Class C CAD Shares of AHL DP Limited (the return to the holders of Class A, Class F, Class H, Class L and Class M Units is referable to the Class A CAD Shares and the return to the holders of Class J and Class K Units is referable to the Class C CAD Shares)		
Performance Fee:	20.00% of the net new appreciation per Class A CAD Share and Class C CAD Share of AHL DP Limited		

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Fund is to provide investors 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 will obtain exposure to the Underlying Assets acquired and maintained by AHL DP Limited by investing in AHL DP Shares issued by AHL DP Limited.

AHL DP Limited will use leverage. The leverage will be created through the use of specified derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage described in the "*Investment Strategies*" section of this Simplified Prospectus or as otherwise permitted under applicable securities legislation, subject to any exemptions therefrom obtained by the Fund.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting Unitholders of the Fund.

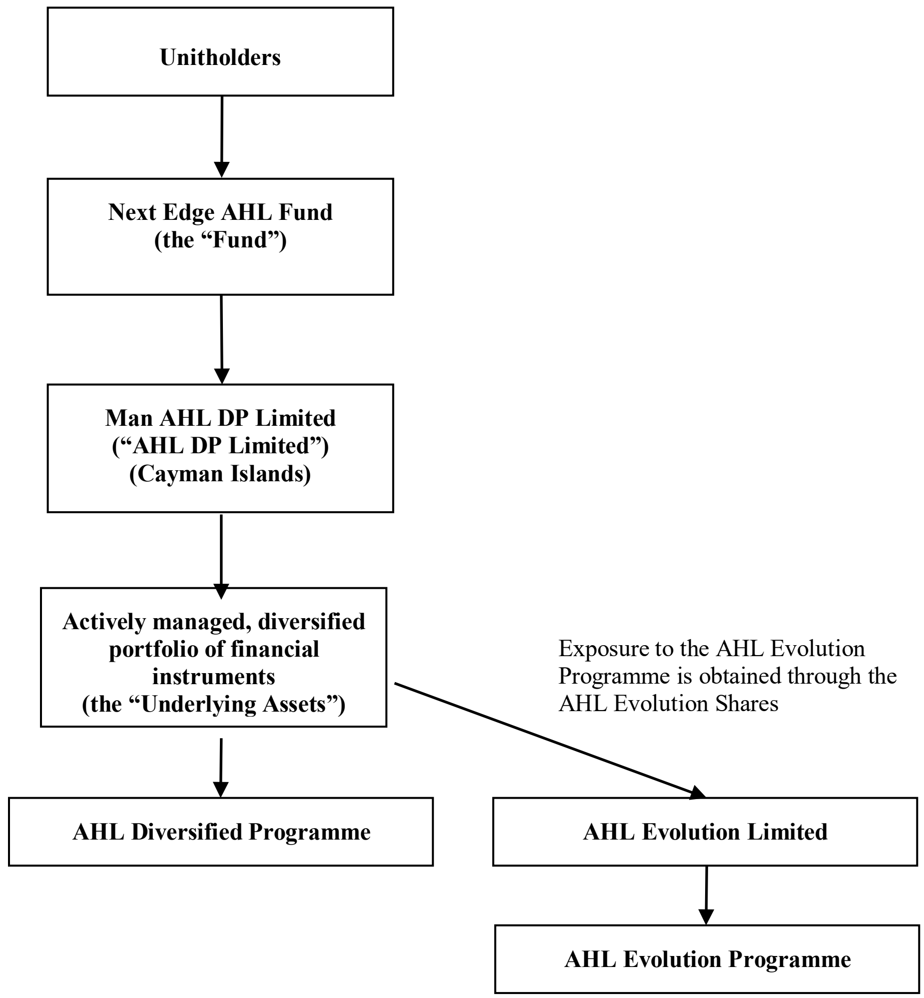
Investment Strategies

In order to achieve its investment objective, the Fund obtains exposure to the returns of the Underlying Assets managed by the Investment Manager using the AHL Diversified Programme. The AHL Diversified Programme is implemented and managed by the Investment Manager. The cornerstone of the investment philosophy is that financial markets exhibit persistent trends and other inefficiencies. Trends are a manifestation of serial correlation in financial markets, the phenomenon whereby past price movements influence future price behaviour.

In managing the Underlying Assets, the Investment Manager will employ the AHL Diversified Programme and the AHL Evolution Programme. The Investment Manager retains the right to make changes to the AHL Diversified Programme and the AHL Evolution Programme based on its ongoing investment in research, including, without limitation, an increase or decrease in the number and diversity of markets, strategies and instruments traded directly or indirectly by the AHL Diversified Programme and the AHL Evolution Programme.

Overview of the Investment Structure

The investment structure of the Fund and the exposure of the Fund to AHL DP Limited and the Underlying Assets are illustrated below. This diagram is provided for illustration purposes only and is qualified by the information set forth elsewhere in this Simplified Prospectus.



AHL Diversified Programme

The AHL Diversified Programme employs a systematic, statistically based investment approach that is designed to identify and capitalize on upward and downward price trends across global markets. The programme currently invests in over 600 international markets across a broad range of sectors.

AHL manages the AHL Diversified Programme which employs sophisticated computerized processes to identify trends in markets around the world. Trading signals are generated and executed via a finely tuned trading and implementation infrastructure. This process is quantitative and primarily directional in nature, meaning that investment decisions are entirely driven by mathematical models based on market trends and other historical relationships. It is underpinned by rigorous risk control, ongoing research, diversification and the constant quest for efficiency.

The cornerstone of the investment philosophy is that financial markets exhibit persistent trends and other inefficiencies. Trends are a manifestation of serial correlation in financial markets – the phenomenon whereby past price movements influence future price behaviour. Although they vary in their intensity, duration and frequency, price trends are universally recurrent across all sectors and markets. Trends are an attractive focus for active trading styles applied across a diverse range of global markets.

Trading takes place around-the-clock and real-time price information is used to respond to price moves across a diverse range of global markets. The AHL Diversified Programme invests in a varied portfolio of instruments including, but not limited to futures, options, forward contracts, swaps and other financial derivatives both on and off exchange. These markets may be accessed directly or indirectly and include, without limitation, stocks, bonds, currencies, short-term interest rates, energies, metals, credit and agriculturals.

As well as emphasizing sector and market diversification, the AHL Diversified Programme has been constructed to achieve diversification by allocating to multiple trading systems. Most of these systems work by sampling prices in real time and measuring price momentum and breakouts, aiming to capture price trends and close out positions when there is a high probability of a different trend developing. Signals are generated across different time frames, ranging from a few days to several months. In aggregate, the systems currently run around 3,000 price samples each day spread across the 600 or so markets traded. The AHL Diversified Programme also includes other technical systems, as well as quantitative models based on a variety of fundamental inputs, such as interest rate and equity valuation data.

In line with the principle of diversification, the approach to portfolio construction and asset allocation is premised on the importance of deploying investment capital across the full range of sectors and markets. Particular attention is paid to correlation of markets and sectors, expected returns, market access costs and market liquidity. Portfolios are regularly reviewed and, when necessary, adjusted to reflect changes in these factors. A systematic process for adjusting market risk exposure in real time to reflect changes in the volatility of individual markets is also in place. Through AHL's ongoing investment in research and technology, the number and diversity of markets and strategies traded directly or indirectly by the AHL Diversified Programme may change over the life of the investment, but always subject to any restrictions set out in this Simplified Prospectus. It should also be noted that the AHL Diversified Programme traded by the Fund may differ from the AHL Diversified Programme traded by other investment products managed by entities within the Man Group. These differences generally include, among other things, differences in the types of financial instruments, markets and asset classes traded which arise out of legal structuring, applicable law and other restrictions and/or considerations with respect to such investment products.

The constituent components of the investment strategy are not exhaustive and may change over time. In seeking to fulfill the Fund's investment objective, the Investment Manager may reduce in whole or in part the allocation of assets to one or more investment styles and may allocate assets to new investment approaches, either within the AHL Diversified Programme or elsewhere. The composition and description of these strategies and approaches may also change over time.

The AHL Evolution Programme

In managing the Underlying Assets, the Investment Manager may employ the AHL Evolution Programme. Similar to the AHL Diversified Programme, the AHL Evolution Programme is a trading program that invests in a portfolio of futures, forward contracts, swaps and other financial derivative instruments both on and off exchange. The markets covered include both developed and emerging markets. The AHL Evolution Programme is implemented and managed by the Investment Manager. Trading in the AHL Evolution Programme may focus upon inefficiencies in a whole range of markets including, but not limited to, bonds, commodities, credit, stocks and currencies. These inefficiencies include price momentum and relative value, and other non-directional trading strategies may be added from time to time. The AHL Evolution Programme trades in a number of markets not traditionally accessed by the AHL Diversified Programme. These markets may be accessed directly or indirectly and include, without limitation, credit indices, cash bonds, interest rate swaps, electricity and emerging market currencies and stock indices. In order to access the AHL Evolution Programme, subject to receipt of the requisite exemptions by the Fund, it is anticipated that a portion of the Underlying Assets will be invested in a class or series of participating shares of AHL Evolution Shares issued by AHL Evolution Limited. The Investment Manager also serves as the investment manager of AHL Evolution Limited. There are no management fees or incentive fees paid to the Investment Manager by AHL Evolution Limited in connection with the investment management services provided by the Investment Manager in respect of the assets of AHL Evolution Limited.

Risk Management

Risk management is an essential component of AHL's investment management process. AHL has put in place a risk management framework which is designed to identify, monitor and mitigate the portfolio, operational and outsourcing risks relevant to its operations. AHL's risk management framework is part of, and is supported by, the overarching risk management framework of Man Group.

Key principles of AHL's risk management framework include the segregation of functions and duties where material conflicts of interest may arise and having an appropriate degree of independent and senior management oversight of business activities. As part of this independent oversight, AHL's activities are subject to regular review by Man Group's internal audit function.

Risk management consists primarily of monitoring risk measures and ensuring the systems remain within prescribed limits. The major risk monitoring measures and focus areas include value-at-risk, stress testing, implied volatility, leverage, margin-to-equity ratios and net exposures to sectors and different currencies.

The constituent components of the investment strategy are not exhaustive and may change over time. In seeking to fulfil AHL DP Limited's investment objective, the Investment Manager may reduce in whole or in part the allocation of assets to one or more investment styles and may allocate assets to new investment approaches, either within the AHL Diversified Programme or elsewhere. The composition and description of these strategies and approaches may also change over time.

Foreign Currency Exposure

All classes of Units are denominated in Canadian dollars. The Underlying Assets may be denominated in U.S. dollars and other foreign currencies and any return of such investments will be in the same currency. The AHL DP Shares are denominated in Canadian dollars. A fluctuation in Canadian dollars against the U.S. dollar and other foreign currencies could cause the value of the Underlying Assets (expressed in Canadian dollars) to diminish or increase irrespective of performance. It is the intention of the Fund to hedge this risk through a program of currency risk management. Any costs and related liabilities and/or benefits relating to such hedging will be reflected in the net asset value per AHL DP Share. There may be circumstances in which the Investment Manager may not be able to, or may determine that it is not advisable to, hedge the Fund's exposure to foreign currencies. There is no assurance that the Investment Manager will hedge the U.S. and other foreign currencies exposure of the Underlying Assets back to Canadian dollars or that it will be possible to remove all currency risk exposure.

Use of Derivatives

The Fund obtains exposure to the returns of the Underlying Assets, the assets of which are invested in accordance with the AHL Diversified Programme and the AHL Evolution Programme. The Underlying Assets may use or obtain exposure to derivatives instruments provided that the use of such derivatives is consistent with the investment objective and strategy of the Underlying Assets.

Derivatives are instruments that derive their value from the market price, value or level of an underlying security, commodity, economic indicator, index or financial instrument and enable investors to speculate on or hedge against future changes in the price or value of the underlying interest of the derivative. The underlying interests of derivatives include a wide variety of assets or financial instruments, such as agricultural products, energy products, and base or precious metals (commonly called commodities), interest rates, currencies and stock indices. The following is a general discussion of certain key concepts in derivatives trading and the more common derivatives which may be employed by the AHL Diversified Programme and the AHL Evolution Programme, but it is not an exhaustive discussion of all derivatives which the Underlying Assets may invest in or obtain exposure to.

Leverage and Financing Arrangements of AHL DP Limited

The investment strategies employed by AHL DP Limited include entering into futures and forward contracts and investments in other financial instruments. The exposure under all contracts and positions to which AHL DP Limited may have exposure to at any time may be substantially larger than the actual amount invested with the result that AHL DP Limited will be exposed to a form of structural leverage. Over the last eight years, the average leverage ratio of the exposure under all contracts and positions held in the AHL Diversified Programme has ranged between four and ten times relative to the net asset value of the underlying assets. The leverage exposure to individual markets that make up the Underlying Assets may be at higher or lower levels than the Underlying Assets as a whole.

AHL DP Limited may establish various financing arrangements which may include credit facilities or other forms of financing relating to AHL DP Limited, including but not limited to derivative instruments or leveraged notes provided on a committed or uncommitted basis or other funding arrangements as recommended by the Investment Manager (the "**Financing Arrangements**"). The Financing Arrangements may be utilized by the Investment Manager, for the benefit of AHL DP Limited, to meet short-term liquidity needs. In addition to the provision of the Financing Arrangements by independent third parties, the Financing Arrangements may be provided (in whole or part) by one or more entities within the Man Group. Any principal amount outstanding under loans and derivative instruments created under the Financing Arrangements is likely to bear interest at an agreed cost of funding rate and will be dependent on prevailing market conditions and is therefore likely to be subject to change. Further fees relating to the Financing Arrangements such as arrangement, commitment, minimum utilisation and renewal fees may also be payable. For greater certainty, any borrowing on behalf of AHL DP Limited will be subject to the restrictions contained in NI 81-102, subject to receipt of any exemptions obtained therefrom by the Fund.

The Fund is an "alternative mutual fund" pursuant to NI 81-102 and obtains exposure to the returns of the Underlying Assets managed by the Investment Manager by investing in AHL DP Shares issued by AHL DP Limited. The Underlying Assets are managed in accordance with the restrictions and practices related to derivatives set out in NI 81-102, subject to receipt of any exemptions therefrom obtained by the Underlying Assets or the Fund. The Fund was formerly a "commodity pool" within the meaning of NI 81-104 prior to the implementation of Alternative Mutual Fund Amendments. The Fund has received exemptive relief that permits the Fund to utilize investment strategies, including the use of specified derivatives for non-hedging purposes, in a manner permitted by NI 81-104 prior to the implementation of the Alternative Mutual Fund Amendments.

Pursuant to NI 81-102, the Fund may deal with counterparties without a designated rating and the Fund may enter into over the counter derivative transactions with a wider variety of counterparties. The Fund will be permitted to exceed the 10% of NAV mark-to-market limit on specified derivatives exposure to a single counterparty, only if either: (i) the specified derivative is a clear specified derivative; or (ii) the counterparty has a designated rating (generally, a rating of "A" or higher for the counterparty's long-term debt).

For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund's most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under "*Currency Risk*" and "*Derivatives Risk*" in the "*What are the Risks of Investing in a Mutual Fund?*" section of this Simplified Prospectus.

The specific strategies that differentiate this Fund from conventional mutual funds include: increased use of derivatives for hedging and non-hedging purposes. While these strategies will be used in accordance with the Fund's strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. Please also refer to the explanation of these risks in the "What are the Risks of Investing in a Mutual Fund?" section of this Simplified Prospectus.

As Manager of the Fund, we may change the investment strategies from time to time, but will give Fund investors notice of our intention to do so if it would be a material change as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"). Under NI 81-106, a change in the business, operations or affairs of the Fund is considered to be a "material change" if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the fund.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

Risks Relating to an Investment in Units of the Fund

(a) certain structural risk factors, including risks associated with the nature of Units, no recourse to the Underlying Assets, fees and expenses of the Fund, risks arising from multiple classes of Units, taxation of the Fund, foreign currency risk and risks of a hedging strategy;

(b) certain investment risk factors, including risks associated with suitability of investment in Units, no guaranteed return, no guarantee of achieving the investment objectives, illiquidity of Units, current income, loss of limited liability and returns determined by reference to the Underlying Assets; and

(c) certain operational risk factors, including risks associated with potential conflicts of interest, legislative, regulatory and administrative changes, reliance on the Manager and the Investment Manager and redemptions.

Risks Relating to AHL DP Limited and the AHL DP Shares

An investment in AHL DP Limited and the AHL DP Shares is subject to certain risk factors, including risks associated with investing in an exempted company and limited liability, lack of secondary market, redemption of the AHL DP Shares, effect of substantial redemptions, performance fees, service provision, administrative cost subsidy agreement, use of estimates for subscriptions and redemptions, speculative investment, operational risk, cash management, borrowing for operations, service provider risk, cross-class liability and limited recourse, taxation of the fund, tax considerations, U.S. Source payments may be subject to withholding under FATCA.

Risks Relating to the Underlying Assets, the AHL Diversified Programme and the AHL Evolution Programme

The Underlying Assets and the AHL Diversified Programme are subject to certain risk factors, including reliance on the Investment Manager, dependence of the Investment Manager on key personnel, model and data risk, general economic and market conditions, performance history, obsolescence risk, crowding/convergence, programming and modelling errors, involuntary disclosure, reliance on analytical tools, competition for investments, leverage arrangements, derivative instruments generally, futures, options, swaps, forward contracts, execution of orders, hedging transactions, equities, underlying funds, exchange traded funds, debt securities, uncertainty of the AHL Evolution Programme, investment in emerging markets, terrorism and catastrophe, illiquid positions, concentration risk, systemic risk, ramp-up periods, counterparty risk, short selling, interest rate and exchange rate risks, custodian risks, regulatory risks of hedge funds, enhanced regulation of the OTC derivatives markets, enhanced regulation of short sales and credit default swaps, position limits, litigation and legal risks in emerging markets

WHO SHOULD INVEST IN THIS FUND

This Fund may be right for you if:

- you plan to hold your investment for the medium-term or longer;
- you want to gain exposure to an actively managed portfolio of managed futures;
- you want low correlation to the equity market in your portfolio; and
- you can tolerate a low to medium level of risk.

This fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated the Fund's risk as medium risk. Please see "Investment Risk Classification Methodology" on page 57 for a description of the rating methodology used by the Manager to identify the risk rating of the Fund. As the Fund has less than 10 years of performance history, the Fund's investment risk level is based on the returns of the following reference index:

Reference Index	% Weighting of Reference Index	Description
BTOP50 Index	100%	The BTOP50 Index seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure.

There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading "*Who Should Invest in this Fund?*" and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us toll free at 1-877-860-1080 or at info@nextedgecapital.com.

DISTRIBUTION POLICY

The Fund does not anticipate making regular distributions to Unitholders. If the Fund does have income, in order to ensure that the Fund will not generally be liable for income tax under Part I of the Tax Act, the Declaration of Trust provides that a special distribution (the "**Special Distribution**") will, if necessary, be automatically payable in each year to Unitholders. The Special Distribution may be necessary where the Fund realizes income for tax purposes which is in excess of any distributions paid or made payable to Unitholders during the year and the net realized capital gains of the Fund, the tax on which would be recovered by the Fund in the year by reason of the capital gains refund provisions of the Tax Act. The Fund may make a Special Distribution, in whole or in part, through the issuance of Units having a value equal to such Special Distribution or part thereof. Immediately following any such Special Distribution, the number of Units outstanding will automatically be consolidated such that the number of Units outstanding after the Special Distribution will be equal to the number of Units outstanding immediately prior to the Special Distribution, except in the case of a non-resident Unitholder to the extent tax was required to be withheld in respect of the distribution. Any such Special Distribution and consolidation will increase the aggregate adjusted cost base of Units to Unitholders.

Distributions in additional Units will not relieve participants of any income tax applicable to such distributions. Net income and net realized capital gains paid or payable to a Unitholder will be required to be included in computing the Unitholder's income in the year the amount is paid or becomes payable. The Fund intends that the aggregate distributions of net income and net realized capital gains made each year will be sufficient to ensure that the Fund will not be subject to tax thereon under Part I of the Tax Act. The costs of distributions, if any, will be paid by the Fund.

The following information applies to all classes of units of the Fund, as applicable:

- The record date for a dividend or distribution is the Valuation Day prior to the payment date.
- All distributions by the Fund to its Unitholders will be automatically reinvested in additional units of the same class of the Fund. You may, by written request, elect to receive cash payment by electronic transfer to your bank account, however the Manager may, in respect of certain distributions and/or dividends, cause any such cash payment to be automatically reinvested in additional units of the same class of the Fund. Cash distributions are not available for Registered Plans. The Manager reserves the right to change this policy, and may elect to have distributions paid in cash.
- Units acquired through the reinvestment of dividends or distributions are not subject to any sales charges.
- As the Fund may dispose of some of its portfolio each year, the amount of dividends or distributions may be material.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The management fees, performance fees and fund costs descried under the "*Fees and Expenses*" are generally paid out of the Fund's assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund's MER, are described in the "*Fees and Expenses Payable Directly by You*" section in this document.

See the "*Fees and Expenses*" section in this document for more information about the cost of investing in the Fund.

The table below provides the annual returns, management expense ratio and trading expense ratio data for the Class A Units for the period since its inception (November 29, 2009) as disclosed in the most recently filed annual management report of fund performance of the Fund.

	2009(1)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual Returns	(0.50%)	14.80%	(9.60%)	(8.70%)	(7.60%)	30.60%	(4.40%)	(9.60%)	3.40%	(4.40%)
MER(2)	37.89%	5.91%	5.22%	5.31%	5.59%	8.43%	8.15%	5.31%	5.66%	5.84%
TER(3)	0.11%	1.16%	0.94%	0.90%	0.92%	0.04%	0.02%	0.02%	0.00%	0.02%

Notes:

(1) For the period between the inception of the Fund (November 29, 2009) and December 31, 2009.

(2) Management expense ratio is based on total expenses of the Fund and the Fund's allocated percentage of Man AHL DP Limited Class A and Class C expenses, before waivers and absorptions by the Manager, for the stated period (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.

(3) 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.

NEXT EDGE AHL FUND

Additional information about the Fund is available in the Fund's annual information form, fund facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents at your request and at no cost by calling toll-free 1-877-860-1080 or from your dealer or by e-mail at info@nextedgecapital.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Next Edge internet site at www.nextedgecapital.com or are available at the website of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

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