



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**

ANNUAL INFORMATION FORM

The Fund and the units described in this document are offered in all of the provinces and territories of Canada. The units are intended primarily for purchase by residents of Canada. The units 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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FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Information Form are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Fund (as defined herein) or the Manager (as defined herein). Forward-looking statements are not historical facts but reflect the current expectations of the Fund or the Manager regarding future results or events. Such forward-looking statements reflect the Fund or the Manager’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading “*Risk Factors*” in the simplified prospectus of the Fund (the “**Simplified Prospectus**”). Although the forward-looking statements contained in this Annual Information Form are based upon assumptions that the Fund and the Manager believe to be reasonable, neither the Fund nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. Unless otherwise stated, the forward-looking statements contained in this Annual Information Form are made as at the date hereof and neither the Fund nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

NAME, FORMATION AND HISTORY OF THE FUND

In this document, “Next Edge”, “we”, “us” or “our” refers to Next Edge Capital Corp., the manager (“**Manager**” or “**Next Edge**”), portfolio manager (“**Portfolio Manager**”), trustee (“**Trustee**”), and promoter (“**Promoter**”) of Next Edge AHL Fund (the “**Fund**”). References to “you” or “Unitholder” mean the reader as a potential or actual investor in the Fund.

Next Edge Capital Corp. is the Manager, Portfolio Manager, Trustee and Promoter of the Fund. The Fund is an open-ended mutual fund trust governed under the laws of Ontario pursuant to a declaration of trust dated as of November 12, 2009, as amended and restated as of November 9, 2010, November 9, 2011, May 31, 2012, December 3, 2013 and June 27, 2014 (the “**Declaration of Trust**”). The principal office of the Fund and the Manager is located at 1 Toronto Street, Suite 200, Toronto, Ontario M5C 2V6.

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

- **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 DP Manager** refers to Man Fund Management (Guernsey) Limited, a company incorporated in Guernsey in its capacity as manager of AHL DP Limited.
- **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.
- **Investment Manager** refers to AHL Partners LLP in its capacity as portfolio manager of the AHL DP Limited.

- **Registered Plans** refers to RRSPs, RRIFs, TFSAs, RESPs and DPSPs, each as defined under “*Taxation of Unitholders – Registered Plans*” section of this Annual Information Form.
- **Valuation Agent and Administrator** refers to RBC Investor Services in its capacity of Registrar, Administrator and Valuation Agent of the Fund.

INVESTMENT RESTRICTIONS AND PRACTICES

The Simplified Prospectus contains detailed descriptions of the investment objectives, investment strategies and the fund risks for the Fund. In addition, the Fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* (“**NI 81-102**”). These restrictions 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.

NI 81-102 prescribes that Unitholder approval must be obtained before any change can be made to the fundamental investment objectives of the Fund.

Eligibility for Registered Plans

In order for units (“**Units**”) to be “qualified investments” for registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), tax-free savings accounts (“**TFSAs**”), registered education savings plans (“**RESPs**”) and deferred profit sharing plans (each a “**Registered Plan**” and, collectively, “**Registered Plans**”), the Fund must qualify as a “mutual fund trust” for the purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”). The Fund intends to satisfy all statutory requirements necessary to qualify as a “mutual fund trust” for purposes of the Tax Act at all material times. Holders of TFSAs, annuitants of RRSPs, or RRIFs, or subscribers of RESPs (a “**Plan Holder**”), as the case may be, should consult with their own advisors as to whether Units may be “prohibited investments” for such plans for the purposes of the Tax Act. We do not permit the Fund to be held within registered disability savings plans (“**RDSPs**”).

Investment Restrictions and Practices

The Fund 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 National Instrument 81-104 *Alternative Mutual Funds* (“**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.

The remaining standard investment restrictions and practices set out in NI 81-102 are deemed to be included in this Annual Information Form.

Change of Investment Objectives and Strategies

A change in the Fund's investment objectives can only be made with the consent of the investors in the Fund at a meeting called for that purpose. The investment strategies explain how the Fund intends to achieve its investment objectives. As the Manager, we may change the investment strategies from time to time, but will give you notice, by way of a press release, 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.

DESCRIPTION OF UNITS

The Fund is an investment formed under the Declaration of Trust. The Fund is permitted to issue an unlimited number of classes of Units and may issue an unlimited number of Units of each class. The Fund has created Class A, Class F, Class H, Class J, Class K, Class L and Class M Units. Units have the following attributes:

- (a) each unit shall be without nominal or par value;
- (b) at each meeting of Unitholders, each Unitholder shall have one vote for each unit owned by such Unitholder as determined at the close of business on the record date for voting each such meeting, with no voting rights being attributed to fractions of a unit;
- (c) each Unitholder will participate in distributions of income, capital gains and returns of capital, and in the division of net assets of the Fund on liquidation based on the relative Net Asset Value ("NAV") of the holder's particular class of Units and in accordance with the Declaration of Trust;
- (d) there shall be no pre-emptive rights attaching to the Units;
- (e) there shall be no cancellation or surrender provisions attaching to the Units except as set out in the Declaration of Trust;
- (f) all Units shall be issued as fully paid and non-assessable so that there shall be no liability for future calls or assessments with respect to the Units;
- (g) all Units shall be fully transferable with the consent of the Trustee as provided in the Declaration of Trust; and
- (h) fractional Units may be issued and shall be proportionately entitled to all the same rights as whole Units, except as provided in the Declaration of Trust.

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, the Manager may redesignate your Units as such number of Units of another class of the Fund that you are eligible to hold having an aggregate equivalent NAV.

Matters Requiring Unitholder Approval

Meetings of Unitholders may be convened by the Trustee from time to time as it may deem advisable and in accordance with the notice provisions set out in the Declaration of Trust. Unless otherwise provided in the Declaration of Trust or by securities legislation, every question submitted to a meeting of Unitholders will be decided by the majority of votes cast. Meetings of Unitholders will be convened to consider and approve:

- (a) a change in the basis of the 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 the holding of securities of the Fund where such change could result in an increase in charges to the Fund or to its Unitholders;
- (b) the introduction of a fee or expense, to be charged to the Fund or directly to its Unitholders, by the Fund or the Manager in connection with the holding of securities of the Fund that could result in an increase in charges to the Fund or to its Unitholders;
- (c) a change in the manager of the Fund, unless the new manager is an affiliate of the Manager;
- (d) a change in the fundamental investment objectives of the Fund;
- (e) a decrease in the frequency of the calculation of the NAV per Unit of the Fund;
- (f) in certain cases, a reorganization of the Fund with, or transfers its assets to, another issuer; or
- (g) any other matter or thing stated in the Declaration of Trust that is required to be consented to or approved by Unitholders.

Unitholder approval will not be obtained in respect of a change of (a) or (b) listed above if the Fund is at arm's length to the person or company charging the fee or expense, and we provide the Unitholders with at least 60 days' written notice of the effective date of the proposed change.

Although the approval of Unitholders will not be obtained before changing the auditor of the Fund, we will not change the auditor unless:

- (a) the Fund's independent review committee (the "IRC") (see "**Fund Governance – Independent Review Committee**" below) has approved the change in compliance with National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107"); and

- (b) we have provided you with written notice at least 60 days prior to the change.

Permitted Mergers

The Fund may, without Unitholders' approval, enter into a merger or other similar transaction which has the effect of combining the fund or its assets (a "**Permitted Merger**") with any other investment fund or funds that have investment objectives that are similar to the Fund, subject to:

- (c) approval of the merger by the IRC in accordance with NI 81-107;
- (d) the Fund being reorganized with, or its assets being transferred to, another mutual fund to which NI 81-102 and NI 81-107 apply, and that is managed by the Manager, or an affiliate of the Manager;
- (e) compliance with certain other requirements of the pre-approval conditions set out in section 5.6 of NI 81-102; and
- (f) Unitholders have received at least 60 days' notice which notice may be by way of press release, before the effective date of the Permitted Merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

VALUATION OF PORTFOLIO SECURITIES

The NAV of the Fund will be calculated by the Administrator as of each Valuation Day (as defined below) by subtracting the amount of the liabilities of the Fund from the total assets of the Fund. The assets and liabilities of the Fund will be valued as follows:

- (a) the value of any cash on hand, deposit or call, prepaid expenses, cash dividends declared and interest accrued but not yet received, shall be deemed to be the face amount thereof, unless the Valuation Agent determines that any such deposit or call loan is not worth the face amount thereof, in which event, the value thereof shall be deemed to be such value as the Valuation Agent determines to be the reasonable value thereof;
- (b) short-term investments including notes and money market instruments shall be valued at cost plus accrued interest which approximates their fair value;
- (c) the value of any security, or index options thereon which is listed on any recognized exchange shall be determined by the closing sale price at the Valuation Day or, if there is no closing sale price, the average between the closing bid price and the closing asking price on the Valuation Day, as reported by any report in common use or authorized as official by a recognized stock exchange or any other period-end market quotation that is deemed appropriate, unless this average is greater than a 10% price variance from the last sale price in which case the last sale price will be used, provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by the Valuation Agent;
- (e) the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, on the Valuation Day, the position in the futures

contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect, in which case, fair value shall be based on the current market value of the underlying interest;

- (f) all Fund property valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Valuation Agent;
- (g) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis; and
- (h) the value of any security or property to which, in the opinion of the Valuation Agent, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as the Valuation Agent from time to time provides.

The NAV of the Fund and the class NAV for each of the Class A, Class F, Class H, Class J, Class K, Class L and Class M Units is calculated and reported in Canadian dollars.

The Administrator is entitled to rely on any values or quotations supplied to it by a third party, including the Portfolio Manager, and is not required to make any investigation or inquiry as to the accuracy or validity of such values or quotations. Provided the Administrator acts in accordance with its standard of care, it shall be held harmless by the Fund and shall not be responsible for any losses or damages resulting from relying on such information.

If an investment cannot be valued under the foregoing rules or under any other valuation rules adopted under applicable securities laws, or if any rules we have adopted are not set out under applicable securities laws but at any time are considered by us to be inappropriate under the circumstances, then we shall use a valuation which we consider to be fair and reasonable in the interests of investors in the Fund. In those circumstances, the Administrator would typically review current press releases concerning the investment security, discuss an appropriate valuation with other portfolio managers, analysts and consult other industry sources to set an appropriate fair valuation. If at any time the foregoing rules conflict with the valuation rules required under applicable securities laws, the Administrator will follow the valuation rules required under applicable securities laws.

The Declaration of Trust contains details of the liabilities to be included in calculating the NAV of the Fund and the NAV per class or Unit Price (as defined below). The liabilities of the Fund include, without limitation, all bills, notes and accounts payable, all administrative fees and operating expenses payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by us for taxes (if any) or contingencies and all other liabilities of the Fund. In making the calculation of the Unit Price, we will use the latest reported information available on each Valuation Day. The purchase or sale of portfolio securities by the Fund will be reflected in the first calculation of the Unit Price after the date on which the transaction becomes binding.

Differences from International Financial Reporting Standards

The Fund's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and those principles may differ from the valuation principles that are set out in this Annual Information Form.

In accordance with NI 81-106, the fair value of a portfolio security used to determine the price of the Units for purchases and redemptions by investors will be based on the Fund's valuation principles set out above under the heading "*Valuation of Portfolio Securities*", which comply with the requirements of NI 81-106 but differ in some respects from the requirements of IFRS, which are used for financial reporting purposes only.

The interim financial reports and annual financial statements of the Fund (the "**Financial Statements**") are required to be prepared in compliance with IFRS. The Fund's accounting policies for measuring the fair value of their investments (including derivatives) are identical to those used in measuring their NAV for transactions with Unitholders, except as disclosed below.

The fair value of the Fund's investments (including derivatives) is the price that would be received to sell an asset, or the price that would be paid to transfer a liability, in an orderly transaction between market participants as at the date of the Financial Statements (the "**Reporting Date**"). The fair value of the Fund's financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the Reporting Date (the "**Close Price**"). In contrast, for IFRS purposes, the Fund uses the Close Price for both financial assets and liabilities where that price falls within that day's bid-ask spread. If a Close Price does not fall within the bid-ask spread, the Close Price will then be adjusted by the Manager, to a point within the bid-ask spread that, in the Manager's view, is most representative of fair value based on specific facts and circumstances.

As a result of this potential adjustment or other fair value adjustment, the Manager may determine and considers to be fair and reasonable for the security, the fair value of the financial assets and liabilities of the Fund determined under IFRS may differ from the values used to calculate the NAV of the Fund.

The notes to the Financial Statements will include a reconciliation of the differences between the NAV calculated based on IFRS and NI 81-106.

FEES AND EXPENSES

The Fund is required to pay goods and services tax ("**GST**") or harmonized sales tax ("**HST**") on management fees payable to the Manager in respect of each class based on the residence for tax purposes of the Unitholders of the particular class (see "**Operating Expenses**" in the Simplified Prospectus for details regarding the fund costs).

Fees and Expenses Payable by the Fund	
Management Fee and Service Fees to Registered Dealers	<p>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 at the annual rates set out below, plus applicable taxes, and is payable on the last day of each calendar quarter.</p> <p>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 reimbursed for these</p>

	<p>payments.</p> <p>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.</p> <table border="1" data-bbox="487 378 1380 714"> <thead> <tr> <th><i>Class of Units</i></th> <th><i>FundSERV Code</i></th> <th><i>Management Fee</i></th> <th><i>Service Fees</i></th> </tr> </thead> <tbody> <tr> <td>Class A Units</td> <td>NEC 111</td> <td>2.25%</td> <td>1.25%</td> </tr> <tr> <td>Class F Units</td> <td>NEC 173</td> <td>1.00%</td> <td>0.00%</td> </tr> <tr> <td>Class H Units</td> <td>NEC 181</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>Class J Units</td> <td>NEC 208</td> <td>2.00%</td> <td>1.00%</td> </tr> <tr> <td>Class K Units</td> <td>NEC 209</td> <td>1.00%</td> <td>0.00%</td> </tr> <tr> <td>Class L Units</td> <td>NEC 311</td> <td>1.25%</td> <td>1.25%</td> </tr> <tr> <td>Class M Units</td> <td>NEC 373</td> <td>0.00%</td> <td>0.00%</td> </tr> </tbody> </table> <p>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.</p> <p>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 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.</p>	<i>Class of Units</i>	<i>FundSERV Code</i>	<i>Management Fee</i>	<i>Service Fees</i>	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%
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<p>Management Fee Distributions</p>	<p>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 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</p>																																

	<p>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.</p>
Operating Expenses	<p>The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by Next Edge.</p> <p>The operating expenses of the Fund will include, without limitation, preparing, mailing and printing expenses for renewal 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.</p> <p>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, therefore, all expenses will impact the tax position of the Fund.</p> <p>The Manager may establish an upper limit on the total annual operating</p>

	<p>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.</p> <p>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.</p> <p>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.</p> <p>Management expense ratios (“MERs”) are calculated separately for each class of Units and includes class management fees and/or operating expenses.</p> <p>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 Reports of Fund Performance.</p>
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Fees and Expenses Payable by AHL DP Limited

<p>Investment Manager’s Fees</p>	<p>As compensation for managing the Underlying Assets, the Investment Manager will receive out of the Underlying Assets the following fees:</p> <ul style="list-style-type: none"> (a) an investment management fee (calculated weekly and charged as at each valuation date and payable monthly) of: <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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 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
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	<p>CAD Share” is the excess of the net asset value per Class A CAD Share at the relevant Valuation Day over the previous highest net asset value per Class A CAD Share at any preceding Valuation Day 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</p> <p>(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 Day over the previous highest net asset value per Class C CAD Share at any preceding Valuation Day 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.</p>
<p>Services Management Fee</p>	<p>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.</p>
<p>Operating Expenses of AHL DP Limited</p>	<p>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 other reports, proxy forms, prospectuses and similar documents to holders of</p>

	<p>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.</p>
<p>Fees and Expenses Payable Directly by You</p>	
<p>Sales Commissions</p>	<p>Your Dealer may charge you a sales commission of up to 3% based on the net asset value of the applicable class of Units you acquire when you buy Class A, Class J and Class L Units. You may negotiate the amount with your Dealer. There are no sales commissions for Class F, Class H, Class K or Class M Units. Sales commissions may be modified or discontinued by the Manager at any time.</p>
<p>Redesignation Fees</p>	<p>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 you redesignate. You may negotiate the amount with your Dealer. Dealers' fees for redesignations are paid by redeeming Units held by you.</p> <p>See "<i>Certain Canadian Federal Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan</i>" section of this Prospectus.</p>
<p>Redemption Fees</p>	<p>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 "<i>Short-Term Trading Fee</i>" section of the Simplified Prospectus.</p>
<p>Short-Term Trading Fee</p>	<p>A fee of 2% of the amount redeemed may be charged if you redeem Units 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 "<i>Short-Term Trading Fee</i>" under the heading "<i>Fund Governance</i>" in the Annual Information Form.</p> <p>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 will not apply in certain circumstances, such as:</p>

	<ul style="list-style-type: none"> • 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.

CALCULATION OF NET ASSET VALUE

Valuation Days

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**").

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 NAV of the Fund. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

How We Price the Fund's Units

The Fund's Units are divided into the Class A, Class F, Class H, Class J, Class K, Class L 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 that Fund.

The NAV of the Fund will be calculated in Canadian dollars. The Class A, Class F, Class H, Class J, Class K, Class L and Class M Units are denominated in Canadian dollars.

All transactions are based on the NAV per unit for each class of Units ("**Unit Price**"). We calculate all Unit Prices at the close of trading on the TSX on each Valuation Day. The Unit Price can change on each Valuation Day.

The Unit Price is calculated for each class of Units. 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 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 NAV for the class.
- We divide this amount by the total number of Units of the class that investors in the Fund is holding. That gives us the Unit Price for the class.

To determine what your investment in the Fund is worth, simply multiply the Unit Price of the class of Units you own by the number of Units you own.

Although the purchases and redemptions of Units are recorded on a class basis, the assets attributable to all of the classes of the Fund is 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 - NAV per unit.

You can get the NAV of the Fund or the NAV per unit of a class of the Fund, at no cost, by sending an email to info@nextedgecapital.com, on the Manager's website at www.nextedgecapital.com, by calling us toll free at 1-877-860-1080 or by asking your dealer.

PURCHASES, REDESIGNATIONS, AND REDEMPTIONS OF UNITS

You may purchase Units through an authorized dealer or brokers qualified in your province or territory. Your dealer is there to help you with your investment decisions to determine whether the Fund is suitable for you to meet your own risk/return objectives and to place orders on your behalf.

Purchases

You may purchase any class of Units through an investment dealer, which is a member of the Investment Industry Regulatory Organizations of Canada, 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 the 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 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*" in the Simplified Prospectus 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 two 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 advisor, 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 "*Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fee*" in the Simplified Prospectus.

Redesignations between Classes of the Fund

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

Your dealer may charge you a redesignation fee of up to 3% based on the NAV of the applicable class of Units you redesignation from one class of Units to another class of Units. You may negotiate the amount with your dealer. Please see “*Fees and Expenses*” and “*Dealer Compensation*” in the Simplified Prospectus for more information on the fees and expenses and dealer compensation applicable to redesignations.

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 Fund is generally not viewed as a disposition for Canadian income tax purposes.

RESPONSIBILITY FOR FUND OPERATIONS

The Manager

Next Edge Capital Corp. is the manager of the Fund. The registered office of the Manager is located at 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6. The Manager can be contacted by calling us toll free at 1-877-860-1080, or by emailing us at info@nextedgecapital.com. The Manager’s website is www.nextedgecapital.com.

Pursuant to the Declaration of Trust, we retain full authority and responsibility to manage the business and affairs of the Fund and are responsible for the Fund’s day-to-day operations. Pursuant to the Declaration of Trust, the Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities.

Executive Officers and Directors of the Manager

The name and municipality of residence, position held with Next Edge and occupation during the past five years of each of the directors and executive officers of Next Edge are as follows:

Name and Municipality of Residence	Office or Position with Next Edge and Principal Occupation within the previous five years
Toreigh N. Stuart Gravenhurst, Ontario	Ultimate Designated Person, Managing Director, Chief Executive Officer and Director of Next Edge
David A. Scobie Toronto, Ontario	Managing Director, Chief Operating Officer and Director of Next Edge
Robert H. Anton Oakville, Ontario	Managing Director, Head of Sales and Product Development and Director of Next Edge
Nicholas M. Tata Toronto, Ontario	Chief Compliance Officer of Next Edge

Toreigh Stuart owns 37.5% of the voting securities of Next Edge, David Scobie owns 31.25% of the voting securities of Next Edge and Robert Anton owns 31.25% of the voting securities of Next Edge, each beneficially through family trusts. Other senior employees of Next Edge also own equity in the firm.

Trustee

Next Edge acts as the trustee of the Fund pursuant to the Declaration of Trust. The Trustee has those powers and responsibilities in respect of the Fund as described in the Declaration of Trust.

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Pursuant to the Declaration of Trust, the Manager may remove the Trustee and appoint a successor trustee from time to time on 90 days' written notice or in certain other circumstances. The Trustee or any successor appointed pursuant to the terms of the Declaration of Trust may resign upon 90 days' written notice to the Manager, who shall use its best efforts to appoint a successor trustee. If no successor Trustee is appointed the Fund shall be terminated.

The Declaration of Trust provides that the Trustee and its affiliates have a right of indemnification from the Fund for any claims arising out of the execution of its duties as trustee, except in cases of negligence, willful default or bad faith on the part of the Trustee. In addition, the Declaration of Trust contains provisions limiting the liability of the Trustee, as described in the Declaration of Trust.

Portfolio Manager

Next Edge also provides portfolio management services to the Fund pursuant to the Declaration of Trust. The Portfolio Manager is responsible for portfolio management and advisory services for the Fund. Investment decisions are made based on fundamental research and quantitative analysis. The investment decisions by the Portfolio Manager's portfolio management team are not subject to the oversight, approval or ratification of a committee.

Next Edge is an independent investment manager that manages approximately \$350 million in alternative investment assets for a diversified base of predominantly Canadian retail investors. Next Edge was incorporated under the laws of Canada in 2006. Next Edge manages the investment portfolio of the Fund in accordance with the investment objectives, restrictions and strategies of the Fund described in the Simplified Prospectus. Next Edge has the discretion to make investment decisions and arrange for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements. Next Edge receives a fee for the portfolio advisory services it provides to the Fund.

The following table sets forth the individuals who are principally responsible for the day-to-day management of a material portion of the portfolio of the Fund:

Fund	Portfolio Management Team
Next Edge AHL Fund	Toreigh Stuart (Portfolio Manager, Managing Director, Ultimate Designated Person and Chief Executive Officer) David Scobie (Managing Director and Chief Operating Officer)

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions, are made on behalf of the Fund by Next Edge, the portfolio advisor of the Fund, and are the ultimate responsibility of Next Edge.

Next Edge will make reasonable efforts to achieve best execution for portfolio transactions executed on behalf of the Fund. The best net price, as represented by brokerage commissions, spreads, and other costs, is an important factor in the selection of a broker or dealer, but a number

of other factors are considered, including: the size of the transaction, the nature of the market of the security, the timing and impact of the transaction taking into account market prices and trends, confidentiality, speed and certainty of execution, clearance and settlement capabilities as well as the reputation, experience and financial stability of the broker or dealer, the quality of services rendered by the broker or dealer in other transactions and the permitted research goods and services to be provided to the Fund.

Next Edge may in its discretion allocate brokerage transactions of the Fund involving client brokerage commissions in return for “permitted” research goods and services which directly add value to an investment or trading decision, which are to the benefit of the Fund and which provide the Fund with reasonable benefit considering the use of the services provided by the broker or dealer and the amount of brokerage commissions paid. Any such allocations shall be pursuant to arrangements whereby Next Edge will allocate a specific number of trades to a particular broker or dealer in return for order execution services and specified permitted research goods and services. Next Edge has no outstanding contractual obligation to allocate the Fund’s brokerage transactions to any specific brokerage firm.

“Permitted” research goods and services and order execution goods and services, as defined in National Instrument 23-102 – Use of Client Brokerage Commissions, include: (i) advice as to the value of the securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends; and (iii) electronic tools, such as databases or software, that support (i) and (ii).

In certain circumstances, order execution and research goods and services may be provided to Next Edge in a bundled form and may include items that are not considered “permitted” research goods and services. In such cases, Next Edge will ensure the costs of such mixed-use services are unbundled and it will directly pay for those non-permitted goods and services.

Next Edge receives research goods and services in the nature of electronic tools, such as databases or software, from brokers and dealers in return for directing brokerage transactions involving client brokerage commissions.

Please call us, toll free, at 1-877-860-1080 or send us an email at info@nextedgcapital.com for a list of brokers and dealers to which brokerage transactions involving client brokerage commissions were directed by Next Edge in exchange for any good or services.

None of Next Edge or the Fund is affiliated with any broker or dealer.

Custodian

On behalf of the Fund, the Manager and the custodian (a “**Custodian**”) within the below table have entered into a custodian agreement (the “**Custodian Agreements**”), whereby the Custodian has agreed to act as custodian for the Fund and to provide safekeeping and custodian services in respect of the Fund’s property.

Fund	Custodian	Date Custodian Agreement entered into
Next Edge AHL Fund	RBC Investor Services Trust	May 7, 2016

The Custodian receives and holds all cash, portfolio securities and other assets of the Fund for safekeeping and on direction from the Fund will settle on behalf of the Fund, the purchase and

sale of the Fund's assets. Under the terms of the Custodian Agreement and subject to the requirements of the Canadian Securities Administrators, the Custodian may appoint one or more sub-custodians. The fees for custodial services provided by the Custodian are paid by the Fund. The Custodian Agreement can be terminated by the Fund or by the Custodian on 60 days' prior written notice.

Pursuant to a Custodian Agreement dated October 29, 2015, as amended as of May 7, 2016, in respect of the Fund, RBC Investor Services Trust ("RBC") is custodian of the assets attributable to the Fund. A change of custodian will, in certain events, require the prior approval of securities regulatory authorities. Where the Fund makes use of clearing corporation options, the Fund may deposit portfolio securities or cash as margin in respect of such transactions with a dealer, or in the case of over-the-counter options or forward contracts, with the other party thereto, in any such case in accordance with the policies of Canadian securities authorities. Where the Fund effects a short sale, the Fund may deposit assets as security with its custodian or dealer from whom the Fund borrowed the securities forming part of the short sale.

Administrator, Registrar and Valuation Agent

RBC Investor Services Trust is the administrator, registrar and valuation agent of the Fund. The registrar maintains the registers of the Fund in Toronto, Ontario.

Independent Auditor

The independent auditor of the Fund is Ernst & Young LLP of Toronto, Ontario.

Promoter

Next Edge took the initiative in organizing the business of the Fund and therefore is considered to be a promoter of the Fund.

CONFLICTS OF INTEREST

Principal Holders of Securities

As at July 30, 2019, no person or company owned of record or, to the knowledge of the relevant Fund or Manager, beneficially, directly or indirectly, more than 10% of the outstanding Units.

Members of the IRC of the Fund do not own any voting or equity securities of the Fund, the Manager, or any person or company that provides services to the Fund or the Manager.

Affiliated Entities

There are no affiliated entities of the Manager that provides services to the Fund.

FUND GOVERNANCE

Independent Review Committee

NI 81-107 requires all publicly offered investment funds, such as the Fund, to establish an independent review committee to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintain records in respect of these matters and provide assistance to the IRC in carrying out its functions. The IRC is required to conduct regular assessments and provide reports to the Manager and to Unitholders in respect

of its functions. The IRC's annual report of its activities for Unitholders is available on the Fund's website at www.nextedgecapital.com, or at the Unitholder's request at no cost by calling us toll free at 1-877-860-1080, or by emailing us at info@nextedgecapital.com.

The fees and expenses of the IRC are borne by all of the Fund. The Fund is also responsible for all expenses associated with insuring and indemnifying the IRC members.

The annual fee payable to each member is \$9,000 and \$12,000 for the Chair, plus applicable taxes or other deductions. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds, including the Fund.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing the Fund. The IRC is empowered to represent the best interest of the Fund in any matter where the Manager has referred a conflict of interest matter to it. In those cases, it has sought to ensure that the Manager's proposed course of action represents a fair and reasonable result for the Fund.

The IRC may also approve certain mergers between the Fund and other funds, and any change of the auditor of the Fund. Subject to any corporate and securities law requirements, no Unitholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, Unitholder approval may be required to approve certain mergers.

The current members of the IRC are Eamonn McConnell, W. William Woods and Geoff Salmon. Mr. McConnell serves as the Chair of the IRC.

As of July 30, 2019, the members of the IRC do not own, directly or indirectly, any securities of the Fund, the Manager or any person or company that provides services to the Fund or to the Manager.

Policies Regarding Business Practices

The Manager maintains policies, procedures and guidelines concerning governance of the Fund. These policies, procedures and guidelines aim to monitor and manage the business and sales practices, risk management and internal conflicts of interest relating to the Fund, and to ensure compliance with regulatory and corporate requirements. The Fund is also managed in accordance with its investment guidelines and those guidelines are monitored regularly by appropriate personnel and senior management of the Manager to ensure compliance therewith.

The Manager is committed to the fair treatment of investors in the products managed by the Manager through the application of high standards of integrity and ethical business conduct by its employees. As a result of this, the Manager has established a compliance manual to guide the firm and its employees. This manual governs policies relating to the following subject matter: code of ethics and conduct, trading procedures and proxy voting, in addition to other procedures.

The Manager manages the Fund in the best interest of the Fund, in compliance with the requirements of NI 81-107 by setting out its policies and procedures for dealing with conflict of interest matters and providing guidance on managing these conflicts.

In addition to the policies, practices or guidelines applicable to the Fund relating to the business practices, sales practices, risk management and internal conflicts already disclosed in this Annual Information Form, all employees of the Manager are bound by the code of ethics and conduct

which, among other things, addresses proper business practices and conflicts of interest and a trading and disclosure policy which sets out the policies and procedures of the Manager with respect to trading and disclosure.

Use of Derivatives

The Portfolio Manager may use derivative instruments to reduce or hedge against various risks, including currency exchange risk associated with foreign investments and as a substitute for purchasing or selling securities directly to obtain investment exposures consistent with its investment objectives, strategies and risk management. The derivatives that the Portfolio Manager may use include, but are not limited to, options, swaps, futures and forwards. The Portfolio Manager may also employ various option strategies to increase income return of the Fund's portfolio including, but not limited to, covered call and put option writing. No assurance can be given that the Fund's portfolio will be hedged from any particular risk at any time.

The Portfolio Manager has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Fund. The Chief Compliance Officer of the Portfolio Manager is responsible for setting and reviewing these policies and procedures. These policies and procedures are reviewed and approved at least annually by the management committee of the Portfolio Manager. The compliance team of the Manager is the group that monitors the risks associated with the use of derivatives independent of the portfolio management team. Risk measurement procedures and simulations are used to test the portfolios under stress conditions.

Short Sales

The Fund may engage in short selling, where such short selling will be done in accordance with securities regulations. Written policies and procedures regarding objectives and risk management procedures have been adopted by the Portfolio Manager in connection with its short selling activities. The Chief Compliance Officer of the Portfolio Manager is responsible for setting and reviewing these policies and procedures. Such policies and procedures are reviewed and approved at least annually by the management committee of the Manager. The authorization of short selling transactions and placing limits or other controls on short selling is the responsibility of the portfolio manager with post-trade review conducted by the Manager's compliance department. Risk measurement procedures and simulations are used to test the Fund's portfolio under stress conditions.

Supervision of Derivatives Trading

We have adopted various policies and internal procedures to supervise the use of derivatives within the Fund's portfolio. All policies and procedures comply with the derivative rules set out for alternative mutual funds in NI 81-102. These policies are reviewed at least annually by senior management. We have established an approval process for the use of derivatives before derivatives can be used in the Fund to ensure compliance with NI 81-102 and to ensure that the derivative is suitable for the Fund within the context of the Fund's objectives and investment strategies. The Administrator records, values, monitors and reports on the derivative transactions that are entered into the Fund's portfolio records. Valuations of derivative instruments are carried out according to the procedures described under "*Valuation of Portfolio Securities*". The Manager's compliance department conducts ongoing monitoring of derivatives strategies for compliance with regulation designed to ensure: (i) all derivatives strategies of the Fund meet regulatory requirements; and (ii) derivative and counterparty exposures are reasonable and

diversified. New derivative strategies are subject to a standardized approval process involving members from the Portfolio Manager and the Manager's compliance department.

Under NI 81-102, mutual funds may engage in derivative transactions for both hedging and non-hedging purposes. When derivatives are used for hedging purposes, our internal policies require that the derivatives have a high degree of negative correlation to the position being hedged, as required by NI 81-102. Derivatives will be used to create leverage within the Fund's portfolio as permitted under section 2.9 of NI 81-102. We do not simulate stress conditions to measure risk in connection with the Fund's use of derivatives. 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 marked-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).

The Manager's compliance department will review monthly updates from the portfolio managers on outstanding derivative strategies including, the classification of hedging versus non-hedging strategies, identification of risks being hedged, and hedge effectiveness or correlation. Any non-compliance is escalated immediately to the Portfolio Manager and Chief Investment Officer (if required). The Manager's compliance department reports any identified exceptions to the derivatives policies and procedures described above.

Proxy Voting Policy

The proxies associated with the securities of the Fund may be voted by the Manager in accordance with the Manager's proxy voting policy (the "**Proxy Voting Policy**"). The objective in voting is to support proposals and director nominees that maximize the value of the applicable fund's investments over the long-term. In evaluating proxy proposals, information from many sources will be considered, including management or shareholders of a company presenting a proposal and independent proxy research services. Substantial weight will be given to the recommendations of a company's board, absent guidelines or other specific facts that would support a vote against management. The Manager has developed guidelines that address the following circumstances: election of directors; contested director elections; classified boards; director/officer indemnification; director ownership; approval of independent auditors; stock based compensation plans; bonus plans; employee stock purchase plans; executive severance agreements; shareholder rights plans; defences; cumulative voting; voting requirements matters related to shareholder meetings, among others.

We may vote the securities of an underlying fund owned by the Fund (the "**Underlying Fund**") when the Underlying Fund is not managed by us. If an Underlying Fund is managed by us or one of our associates or affiliates, we will not vote the securities of the Underlying Fund but will decide if it is in your best interests for you to vote on the matter individually. Generally, for routine matters, we will decide that it is not in your best interests to vote individually. However, if we decide that it is in your best interests for you to vote, then we will ask you for instructions on how to vote your proportionate share of the Underlying Fund securities owned by the Fund and will vote accordingly. We will only vote the proportion of the Underlying Fund securities for which we have received instructions.

While serving as a framework, the Proxy Voting Policy cannot contemplate all possible proposals with which the Fund may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Manager will evaluate

the issue and may decide to cast the Fund's vote in a manner that, in the Manager's view, will maximize the value of the Fund's investment.

The current proxy voting policy and procedures of the Manager are available to Unitholders at no cost by calling us toll free at 1-877-860-1080, on the Manager's website at www.nextedgecapital.com or by writing to Next Edge Capital Corp., 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6.

The Fund's proxy voting record for the annual period from July 1st to June 30th will be available at any time after August 31st following the end of that annual period, to any Unitholder on request to the Manager, at no cost, and may also be available on the Manager's website at www.nextedgecapital.com. Information contained on the Manager's website is not part of this Annual Information Form and is not incorporated herein by reference.

Short-Term Trading

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 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 NAV of the class of Units being redeemed.

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

- redemptions of Units purchased by the reinvestment of distributions;
- redesignation of Units from one class to another class of the Fund;
- redemptions initiated by the Manager or where redemption notice requirements have been established by the Manager;
- 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 the Manager.

The registrar, on behalf of the Manager, monitors and detects short-term trading. The registrar on direction from the Manager, automatically charges a short-term trading fee to any redemption of Units that is made within 90 days of purchasing those securities. The Manager assesses the short-term trading fee charged to an investor on a case-by-case basis and may, at its absolute discretion, reverse a short-term trading fee that has been charged to an investor.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary, as at the date hereof, of certain of the principal Canadian federal income tax considerations generally applicable to the buying, holding and selling of Units by a Unitholder who acquires Units pursuant to the Simplified Prospectus. This summary assumes the Unitholder is an individual (other than a trust) who, for purposes of the Tax Act and at all times: (i) is a resident in 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 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 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 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 become 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 that you own. The adjusted cost base in respect of any class of Units that you own must be calculated in Canadian dollars.

The total adjusted cost of your Units of a particular class of Units (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 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 Plan Holder 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 the Foreign Account Tax Compliance Act (“**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 would be “prohibited investments” for a Prescribed Plan for the purposes of the Tax Act.

REMUNERATION OF DIRECTORS AND OFFICERS

The Fund does not directly employ any directors, officers or trustees to carry out Fund operations. The Manager, as manager of the Fund, provides or retains all personnel necessary to conduct the Fund’s operations.

The annual fee payable to each member of the IRC is \$9,000 and \$12,000 for the Chair, plus applicable taxes or other deductions. Expenses incurred by the members of the IRC in connection with performing their duties are also the responsibility of the investment funds, including the Fund. The aggregate amount paid to the members of the IRC in the most recently completed financial year of the Fund is \$30,000,

MATERIAL CONTRACTS

The material contracts entered into by the Fund as of the date of this Annual Information Form are:

- (a) *Declaration of Trust* - Details of the Declaration of Trust of the Fund, which governs the Fund are set out under “Name, Formation and History of the Funds”. The Declaration of Trust sets out the powers and duties of the manager and the trustee of the Fund, the attributes of units of the Fund, procedures for purchase, exchange and redemption of units, recordkeeping, calculation of the Funds’ income and other administrative procedures. The Declaration of Trust also contains provisions for the selection of a successor trustee if we should resign and for termination of the Fund if no successor trustee can be found.
- (b) *Custodian Agreement* - The Custodian Agreement complies with the applicable provisions of NI 81-102 regarding custodial services and requires the custodian to hold each Fund’s assets in trust and to separately identify the Fund’s account assets. The agreement set out the fees payable to the custodian for the range of services provided to the Fund. The agreement can be terminated by the Fund or by the custodian on 90 days’ prior written notice.

Copies of these agreements are available for inspection at the principal office of the Manager during regular business hours and are also available on www.sedar.com.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

As of the date of this Annual Information Form, there are no ongoing material legal or administrative proceedings pending to which the Fund or the Manager is a party or which are known to be contemplated.

CERTIFICATE OF THE FUND, THE MANAGER, THE TRUSTEE AND THE PROMOTER

This Annual Information Form, together with the Simplified Prospectus, and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: July 30, 2019.

“Signed Toreigh Stuart”

Toreigh N. Stuart
Managing Director, Chief Executive Officer

“Signed David Scobie”

David A. Scobie
Managing Director, Chief Operating Officer
(signing in his capacity as Chief Financial Officer)

On behalf of the board of directors of
NEXT EDGE CAPITAL CORP.,
as Manager and Trustee of the Fund

“Robert Anton”

Robert H. Anton
Director

NEXT EDGE CAPITAL CORP.
as Promoter of the Fund

“Signed Toreigh Stuart”

Toreigh N. Stuart
Managing Director, Chief Executive Officer



Alternative Mutual Fund

NEXT EDGE AHL FUND

Additional information about the Fund is available in the Fund's management reports of fund performance and financial statements.

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

The financial statements and other information about the Fund, such as information circulars and material contracts, are also available on Next Edge's website at www.nextedgecapital.com or at www.sedar.com.

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