

Next Edge Bio-Tech Plus Fund

Annual Management Report of Fund Performance – 2019



NEXTEDGE
CAPITAL

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Next Edge Bio-Tech Plus Fund (the "Fund"). You may obtain a copy of the annual financial statements at your request, and at no cost, by calling (416) 775-3600 or toll-free at (877) 860-1080, by writing to us at Next Edge Capital Corp., 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6, Canada or by visiting our website at www.nextedgecapital.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

Certain portions of this report, including but not limited to, "Results of Operations" and "Recent Developments", may contain forward-looking statements about Next Edge Bio-Tech Plus Fund (the "Fund"), including its strategies, risks, expected performance and condition. All statements, other than statements of historical fact, that address activities, events or developments that Next Edge Capital Corp. (the "Manager") believe, expect or anticipate will or may occur in the future (including, without limitation, statements regarding any targeted returns, projections, forecasts, statements and future plans and objectives of the Fund) are forward-looking statements. These forward-looking statements reflect the current expectations, assumptions or beliefs of the Manager based on information currently available to the Fund.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Fund to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Fund.

Factors that could cause actual results or events to differ materially from current expectations include, among other things, changes in international financial and commodities markets, fluctuations in currency exchange and interest rates, illiquidity of portfolio investments, reduction in availability of leverage, default by counterparties, special risks arising from short sales and investments in forward contracts and other derivatives, unintentional trades, accuracy of analytical models, valuation risks, limitations on redemptions, tax consequences, changes in applicable laws and other risks associated with investing in securities and those factors discussed under the section entitled "Risk Factors" in the Fund's simplified prospectus.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Manager and the Fund disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Manager believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Management discussion of fund performance

Investment Objective and Strategies

Next Edge Bio-Tech Plus Fund (the “Fund”) is a mutual fund established as a trust under the laws of the Province of Ontario by a declaration of trust dated December 1, 2014 made by Next Edge Capital Corp., as trustee. The Fund is divided into units of participation (“Units”) representing an interest in the Fund held by unitholders. The Fund has four classes of Units: Class A Units, Class A1 Units, Class F Units and Class F1 Units.

The Fund started investing according to its investment objective on February 17, 2015.

Investment Objective

This Fund seeks short and long-term capital appreciation through the ownership of small and mid-capitalization biotechnology and healthcare companies based in Canada and the United States.

The Manager will not change the investment objectives of the Fund without the approval of a majority of Unitholders.

Investment Strategies

The portfolio manager uses the following investment strategies to attempt to achieve the Fund’s investment objective:

- Holdings comprised of a mix of Canadian and US biomedical companies.
- Sector exposure includes biotechnology, speciality pharma, medical devices, medical software and technology, diagnostics, drug delivery, bioinformatics and agricultural and healthcare services.
- Derivatives are used for hedging purposes and return enhancement.

Investment decisions are made by:

- Focusing on companies in early to later stages of clinical development or early commercialization that meet specific criteria and whose data has been subjected to peer reviewed analysis.
- The Fund is managed to seek to attempt to reduce overall portfolio volatility by: further reducing the risk associated with investments in a particular sector by placing option hedges on biotechnology indices; and exiting or hedging a particular position, should the applicable issuer be faced with event risks owing to expected upcoming factors/data/information.
- Collectively hedging to reduce the volatility of a traditionally volatile sector and provide return enhancement.

The Fund may invest in securities denominated in currencies other than Canadian dollars from time to time. The amount of such investments will vary but may exceed 50% of the net assets of the Fund at the time that such securities are purchased.

The Fund may invest in or use derivatives for hedging and non-hedging purposes in a manner consistent with the investment objective of the Fund and as permitted by applicable securities legislation. Derivatives to be used by the Fund may include, but are not limited to, non-exchange traded options, forward contracts, futures contracts and swaps.

The Fund may depart temporarily from its fundamental investment objectives and will likely invest in cash or cash equivalents in the event of adverse market, economic, political or other considerations.

The Fund is managed by Next Edge Capital Corp. (the “Manager”). The custodian, registrar, transfer agent and valuation agent of the Fund is RBC Investor & Treasury Services. The registered office of the Fund is located at 1 Toronto Street, Suite 200, Toronto, Ontario, Canada, M5C 2V6.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Management discussion of fund performance (continued)

Risk

The Fund started investing according to its investment objective on February 17, 2015. Effective February 17, 2015, an investment in the Fund is subject to certain risk factors relating to the Fund, as detailed in its Simplified Prospectus. During the year ended December 31, 2019, there were no changes to the Fund that materially affected the overall risk level associated with an investment in the Fund.

Results of Operations

The Fund experienced a decrease in its net assets during the years ended December 31, 2019:

Class of redeemable units	December 31, 2019 NAV per unit (CAD) ¹	December 31, 2018 NAV per unit (CAD) ¹	% return for year ended December 31, 2018 ¹
A	7.49	8.04	(6.8)
A1	8.21	8.68	(5.4)
F	8.12	8.60	(5.6)
F1	8.60	8.99	(4.4)

1. Net assets attributable to holders of redeemable units ("NAV", or "Net Assets").

Next Edge Bio-Tech Plus Fund commenced trading according to its investment objective on February 17, 2015 to provide investors with exposure to small-mid cap biotech stocks. The Fund's benchmark is a blend of 60% NASDAQ Biotechnology Index and 40% S&P/TSX Capped Healthcare Index. Both indices are heavily weighted in large capitalization companies which are not representative of the Fund's holdings in small-mid cap emerging healthcare companies.

2019 started with a bang but ended with a whimper. The Fund rose over +30% in the first quarter and was the best performing mutual fund in Canada according to Morningstar rankings. The returns were fueled by a rebound from the Q4:2018 global equity bear market and due to two of the Fund's holdings, Spark Therapeutics (ONCE) and Clementia Pharma (CMTA) being acquired by large European BioPharma companies Roche and Ibsen respectively at premiums of +120% and +75% respectively. That represented the 8th and 9th companies among the Fund's holdings to have been acquired over the past 4 years.

Following the March peak, the biotech sector in both the US and Canada went into a steep decline with the NASDAQ Biotechnology Index declining in 6 of the next 7 months and surrendering all of the year's gains, while the TSX Healthcare Index declined over -50% from its March peak as small cap healthcare in Canada melted down which hurt the Fund considerably. The large US biotech companies made a low in October and surged into year-end as the market took notice of their deep value characterized by high free cash flow yield and waning political risk. This enabled the NASDAQ Biotechnology Index to rebound to a +24% gain for the year. Our midcap US holdings began to rebound a month or two later. However, that was not the case in Canada as small caps continued to decline, the selling amplified by year-end tax-selling and portfolio window dressing. When the dust settled, the TSX Healthcare Index declined by -11%. For 2019, the Fund's Class A units declined -6.80% when the Fund's Class F units declined -5.64% vs +11.94% for the Fund's benchmark comprised of 60% of the large-cap heavy NASDAQ Biotechnology Index and 40% of the TSX Healthcare Index.

The outlook for select biotechnology companies remain significantly positive over the course of the cycle. The companies we focus on investing in are: a) not economically sensitive, b) have pricing power, c) have a protective IP moat around their significant R&D investments, d) benefit from stable to falling interest rates, e) are developing breakthrough therapies that will take market share from legacy drugs, f) can rapidly grow revenues and earnings under most conditions, g) are most likely to be acquired by larger companies in need of growth, platform technology or replenishing depleted development pipelines, and h) are valued in the market relatively inexpensive to current and prior cycle valuations. While investors crowd into a handful of large cap technology companies, they have not yet migrated to biotech which also carry many of the desirable defensive qualities that are sought out in those disruptive monopolistic giants.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Management discussion of fund performance (continued)

While the Canadian healthcare funding market continues to be capital starved, leaving company shares under pressure, the limited fundings occurring are in a few early-stage companies where US investors have led the financing. Early stage companies have many make-or-break hurdles ahead of them to prove they have a safe, legitimate, competitive drug, and multiple dilutive fund raises to make this possible. Instead, the Fund is focused on owning post-phase two companies that have overcome many destructive hurdles and will over time be revalued higher by investors.

Recent Developments

Through January and February 2020, the market has been volatile and the rally has been narrow, favouring a select few. Deepening concern about the negative economic impact of COVID-19 has impacted cyclical sectors and benefited yield sensitive sectors as the yield curve again inverts. Fed Fund futures have priced in 50 basis points of additional rate cuts by the end of 2020.

The NASDAQ Biotechnology Index is +2% for the year but has achieved this by first declining 5.6% in January then rebounding in February. The TSX Healthcare Index continues to slide and is now down -4.1% for 2020. The Fund is down slightly for the year. We are optimistic about the likelihood of one or more of our late-phase / early commercialization US investments being acquired in 2020.

Effective January 1, 2018, the Fund adopted IFRS 9, Financial Instruments. There was no impact on the net assets and the results of the Fund from the adoption of IFRS 9. The adoption of IFRS 9 has also been applied retrospectively and did not result in any changes in the prior period.

Related Party Transactions

The Manager is responsible for the day-to-day operations of the Fund and provides management services to the Fund, including the marketing, promotion, and distribution of the Fund; transfer agency services; and unitholder reporting and servicing. In consideration of the management services, the Fund pays management fees, which are accrued for daily, to the Manager based on the average NAV of the applicable class of units of the Fund. Dealer compensation, or service fees, if any, are paid out of management fees and the Manager is not reimbursed for these payments.

Total management fees for the year ended December 31, 2019 amounted to \$206,520 (2018: \$257,629) with \$9,310 in outstanding accrued fees due to the Manager at December 31, 2019 (December 31, 2018: \$13,073).

The Fund pays the Manager a quarterly performance fee if the percentage gain in the NAV per unit of a class exceeds the percentage gain or loss of the Fund's benchmark, provided that the NAV per unit is greater than all previous values in which a performance fee was paid. Total performance fees for the years ended December 31, 2019 and 2018 amounted to nil, and no outstanding accrued fees due to the Manager at December 31, 2019 and 2018.

The Manager incurs operating expenses on behalf of the Fund and is then reimbursed by the Fund for such expenses.

National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds, such as the Fund, to establish an independent review committee ("IRC"). Consequently, the Manager has appointed three independent IRC members. The purpose of the IRC is to: (i) review and provide input on the Manager's written policies and procedures that deal with conflict of interest matters; (ii) consider and, if deemed appropriate, approve the Manager's decision on a conflict of interest matter that the Manager refers to the IRC for approval; and (iii) perform such other duties as may be required of the IRC under applicable Canadian securities laws. Additional information about the IRC is available in the Fund's prospectus. Fees are paid to the IRC members for the performance of their duties.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Management discussion of fund performance (continued)

The total remuneration paid to members of the Independent Review Committee allocable to the Fund during the year ended December 31, 2019 was \$26,777 (2018: \$22,470). There were no outstanding payables relating to Independent Review Committee fees as at December 31, 2019 and 2018.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the respective years ended December 31, 2019, 2018, 2017, 2016, and 2015.

Class A³ – Net Assets per unit (CAD)

For the period ended	Dec 31, 2019 ¹	Dec 31, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹
Net Assets per unit, beginning of period	8.04	10.21	8.98	9.86	10.00
(Decrease) Increase from operations					
Total revenue	0.02	0.02	0.04	0.04	0.02
Total expenses	(0.59)	(0.88)	(0.78)	(0.64)	(0.80)
Realized gains (losses) for the period	(1.50)	(0.15)	0.57	0.45	(0.76)
Unrealized gains for the period	2.04	(1.79)	1.05	0.66	2.49
Total increase from operations	(0.03)	(2.80)	0.88	0.51	0.96
Distributions					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ²	7.49	8.04	10.21	8.98	9.86

Class A1⁴ – Net Assets per unit (CAD)

For the period ended	Dec 31, 2019 ¹	Dec 31, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹
Net Assets per unit, beginning of period	8.68	10.88	9.61	10.43	10.00
(Decrease) Increase from operations					
Total revenue	0.02	0.02	0.04	0.03	0.02
Total expenses	(0.41)	(0.66)	(1.00)	(0.44)	(0.58)
Realized gains for the period	(1.70)	0.67	0.59	0.25	0.20
Unrealized (losses) gains for the period	1.81	(2.00)	1.70	(0.87)	0.78
Total (decrease) increase from operations	(0.28)	(1.97)	1.33	(1.03)	0.42
Distributions					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ²	8.21	8.68	10.88	9.61	10.43

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights (continued)

Class F⁴ – Net Assets per unit (CAD)

For the period ended	Dec 31, 2019 ¹	Dec 31, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹
Net Assets per unit, beginning of period	8.60	10.80	9.56	10.40	10.00
Increase from operations					
Total revenue	0.02	0.03	0.05	0.05	0.02
Total expenses	(0.45)	(0.74)	(0.86)	(0.57)	(0.82)
Realized gains (losses) for the period	(1.67)	0.92	0.49	0.51	(0.50)
Unrealized gains for the period	1.78	(2.94)	0.94	1.39	1.91
Total increase from operations	(0.32)	(2.73)	0.62	1.38	0.62
Distributions					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ²	8.12	8.60	10.80	9.56	10.40

Class F1⁴ – Net Assets per unit (CAD)

For the period ended	Dec 31, 2019 ¹	Dec 31, 2018 ¹	Dec 31, 2017 ¹	Dec 31, 2016 ¹	Dec 31, 2015 ¹
Net Assets per unit, beginning of period	8.99	11.14	9.81	10.54	10.00
(Decrease) Increase from operations					
Total revenue	0.02	0.03	0.04	0.05	0.03
Total expenses	(0.22)	(0.48)	(0.96)	(0.38)	(0.53)
Realized gains for the period	(1.76)	0.62	0.63	0.38	0.04
Unrealized (losses) gains for the period	1.73	(2.21)	1.68	(0.44)	0.80
Total (decrease) increase from operations	(0.23)	(2.04)	1.39	(0.39)	0.34
Distributions					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total distributions	-	-	-	-	-
Net Assets per unit, end of period ²	8.60	8.99	11.14	9.81	10.54

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights (continued)

1. This information is derived from the Fund's audited financial statements for the years ended December 31, 2019, 2018, 2017, 2016, and 2015.
2. Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is calculated based on the average number of units outstanding over the period. Therefore, the beginning of period Net Assets, the increase (decrease) from operations and distributions, if any, will not sum to the end of period Net Assets.
3. Class A units were first issued on inception date of the Fund on December 1, 2014, but the Fund did not start investing according to its mandate until February 17, 2015.
4. The first issuance of Class A1 and Class F1 units was on January 21, 2015. The first issuance of Class F units was on January 23, 2015.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights (continued)

Class A⁵ – Ratios and Supplement Data:

For the period ended	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Total NAV (CAD 000s) ¹	3,552	5,040	3,741	1,997	705
Number of units outstanding ¹	474,057	627,096	366,482	222,317	71,474
Management expense ratio ²	3.58%	4.72%	5.41%	4.86%	9.77%
Management expense ratio before waivers or absorptions ²	3.65%	4.72%	9.72%	4.86%	9.77%
Trading expense ratio ³	2.25%	3.27%	2.63%	2.07%	2.22%
Portfolio turnover rate ⁴	208.81%	310.81%	244.41%	173.12%	148.16%
NAV per unit (CAD)	7.49	8.04	10.21	8.98	9.86

Class A1⁶ – Ratios and Supplement Data:

For the period ended	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Total NAV (CAD 000s) ¹	1,209	1,439	2,121	2,246	3,166
Number of units outstanding ¹	147,246	165,821	195,048	233,650	303,529
Management expense ratio ²	2.20%	3.29%	6.52%	3.63%	4.30%
Management expense ratio before waivers or absorptions ²	2.27%	3.29%	11.71%	3.63%	4.30%
Trading expense ratio ³	2.25%	3.27%	2.63%	2.07%	2.22%
Portfolio turnover rate ⁴	208.81%	310.81%	244.41%	173.12%	148.16%
NAV per unit (CAD)	8.21	8.68	10.88	9.61	10.43

Class F⁶ – Ratios and Supplement Data:

For the period ended	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Total NAV (CAD 000s) ¹	5,014	6,388	5,328	2,591	341
Number of units outstanding ¹	617,809	742,895	493,279	271,119	32,773
Management expense ratio ²	2.46%	3.66%	5.71%	3.86%	7.14%
Management expense ratio before waivers or absorptions ²	2.53%	3.66%	10.25%	3.86%	7.14%
Trading expense ratio ³	2.25%	3.27%	2.63%	2.07%	2.22%
Portfolio turnover rate ⁴	208.81%	310.81%	244.41%	173.12%	148.16%
NAV per unit (CAD)	8.12	8.60	10.80	9.56	10.40

Class F1⁶ – Ratios and Supplement Data:

For the period ended	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Total NAV (CAD 000s) ¹	869	1,371	1,835	1,742	1,254
Number of units outstanding ¹	101,091	152,425	164,675	177,567	119,014
Management expense ratio ²	1.01%	2.28%	6.05%	2.63%	3.65%
Management expense ratio before waivers or absorptions ²	1.08%	2.28%	10.88%	2.63%	3.65%
Trading expense ratio ³	2.25%	3.27%	2.63%	2.07%	2.22%
Portfolio turnover rate ⁴	208.81%	310.81%	244.41%	173.12%	148.16%
NAV per unit (CAD)	8.60	8.99	11.14	9.81	10.54

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights (continued)

1. This information is provided as at December 31, 2019, 2018, 2017, 2016 and 2015.
2. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratio is calculated in accordance with Part 15 of NI 81-106.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
4. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
5. Class A units were first issued on inception date of the Fund on December 1, 2014, but the Fund did not start investing according to its mandate until February 17, 2015.
6. The first issuance of Class A1 and Class F1 units was on January 21, 2015. The first issuance of Class F units was on January 23, 2015.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Financial highlights (continued)

Management Fees

For the year ended December 31, 2019 for its services to the Fund, the Manager was entitled to receive from the Fund, a management fee (the “Management Fee”) at (up to) an annual rate of: (i) 2.25% of the portion of its Net Asset Value represented by the Class A units; (ii) 1.00% of the portion of its Net Asset Value represented by the Class A1 units; (iii) 1.25% of the portion of its Net Asset Value represented by the Class F units and (iv) 0.00% of the portion of its Net Asset Value represented by the Class F1 units, calculated daily and paid monthly in arrears, plus applicable taxes. The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund’s units, investment advice, as well as for general administrative expenses such as overhead, salaries, rent, legal and accounting fees relating to the role of the Manager. The Fund started accruing for management fees on February 17, 2015.

Annual management fees, and a breakdown of the services received in consideration of the management fees, as a percentage of management fees, for the year ended December 31, 2019, are as follows:

Class of units	Annual Rates	As a percentage of management fees	
		Dealer Compensation	General administration, investment advice and profit
A	2.25%	44.44%	55.56%
A1	1.00%	100.00%	0.00%
F	1.25%	0.00%	100.00%
F1	0.00%	N/A	N/A

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Past performance

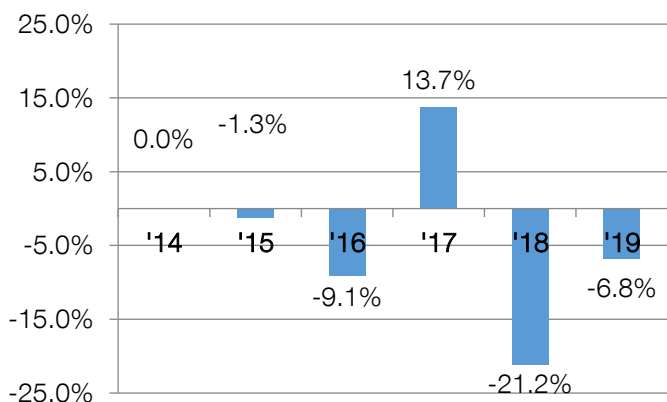
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information shown does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

The Fund launched December 1, 2014 but did not trade according to its investment objectives until February 17, 2015. For the period ended December 31, 2014, for all classes, there was no net income or expense and no performance gain or loss.

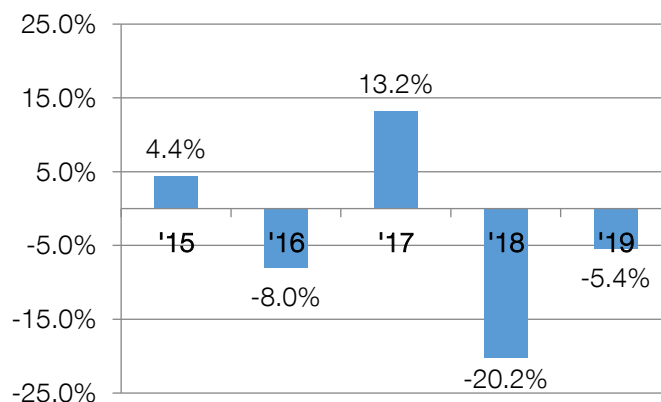
Reported returns are as follows from the first day to the last day of each fiscal period shown.

Year-by-Year Returns^{1,2}

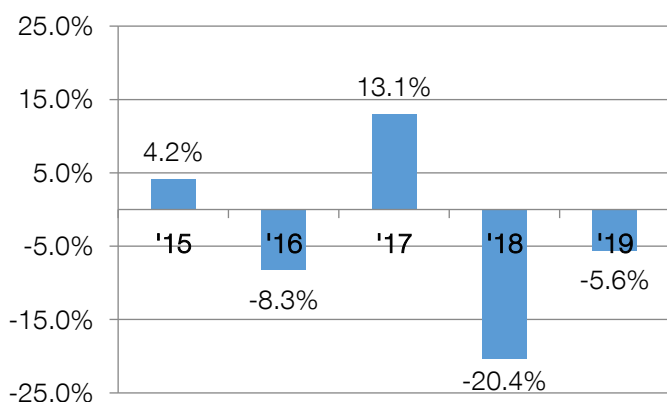
Class A



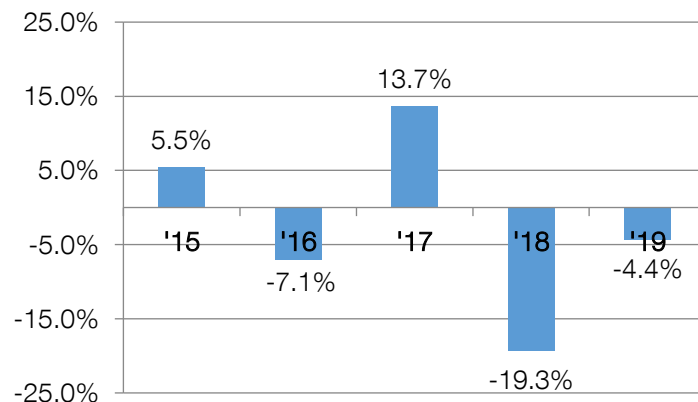
Class A1



Class F



Class F1



1. Returns are for partial year from the inception date to December 31, 2014
2. Returns are for partial year from the inception date to December 31, 2015

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Past performance (continued)

Annual Compound Returns

The following table shows the historical annualized compound returns for each Class of units of the Fund, for the periods ended December 31, 2019. It also shows, for the same periods, the returns for the S&P/TSX Capped Health Care Index (SPTSHC) and NASDAQ Biotechnology Index (NBI) obtained from RBC Investor & Treasury Services. There is no guarantee of performance and past or projected performance is not a reliable indicator of future performance. The latest data available at the time of production has been used. Returns may increase or decrease as a result of currency fluctuations.

Percentage Return	1 year	3 year	Since Inception³
Class A units ¹	-6.8%	-16.6%	-5.5%
Class A1 units ²	-5.4%	-14.6%	-3.9%
Class F units ²	-5.6%	-15.1%	-4.1%
Class F1 units ²	-4.4%	-12.4%	-3.0%
Benchmark ⁴	11.9%	27.2%	-1.5%

1. Class A units were first issued on inception date of the Fund on December 1, 2014, but the Fund did not start investing according to its mandate until February 17, 2015.
2. The first issuance of Class A1 and Class F1 units was on January 21, 2015. The first issuance of Class F units was on January 23, 2015.
3. Inception dates used for calculation are December 1, 2014 for Class A; January 21, 2015 for Class A1, F1 and the Benchmark; and January 23, 2015 for Class F.
4. The benchmark for the Fund is 40% of the percentage gain or loss of the S&P/TSX Capped Health Care Index (SPTSHC) plus 60% of the percentage gain or loss of the NASDAQ Biotechnology Index (NBI).

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Summary of investment portfolio

The following shows the underlying assets allocation by asset class and the top 25 holdings. The Underlying Assets and investment portfolio may change due to ongoing portfolio transactions.

Portfolio by Asset Mix	% of Net Asset Value
	Dec 31, 2019
Canadian equity	50.5%
United States equity	34.2%
Cash and cash equivalents	7.7%
International equity	3.9%
Equity options	3.7%
United States bonds	1.2%
Equity index options	0.6%
Total investments	101.8%
Other net assets (liabilities)	(1.2%)
Written options	(0.6%)
Total net asset value	100.0%

Portfolio by Industry	% of Net Asset Value
	Dec 31, 2019
Pharmaceuticals and biotechnology	47.8%
Healthcare equipment and services	20.2%
Pharmaceuticals	20.2%
Cash and cash equivalents	7.7%
Biotechnology	1.6%
Equity options	3.7%
Equity index options	0.6%
Total investments	101.8%
Other net assets (liabilities)	(1.2%)
Written options	(0.6%)
Total net asset value	100.0%

Portfolio by Country	% of Net Asset Value
	Dec 31, 2019
Canada	54.8%
United States	35.4%
Cash and cash equivalents ¹	7.7%
International	3.9%
Total investments	101.8%
Other net assets (liabilities)	(1.2%)
Written options	(0.6%)
Total net asset value	100.0%

1. Cash and cash equivalents are shown in total as one position.

Next Edge Bio-Tech Plus Fund

Annual management report of fund performance – December 31, 2019

Summary of investment portfolio (continued)

Top 25 Long Positions

Issuer	% of Net Asset Value
MRI Interventions Inc.	8.9%
Aequus Pharmaceuticals Inc.	8.4%
iCo Therapeutics Inc.	6.7%
Microbix Biosystems Inc.	6.3%
SQI Diagnostics Inc.	6.0%
Portola Pharmaceuticals	3.6%
Apteryx Imaging Inc.	3.4%
Intercept Pharmaceuticals Inc.	3.3%
Opsens Inc.	3.3%
Delcath Systems Inc.	3.3%
Theratechnologies Inc.	3.1%
Intra-Cellular Therapies Inc.	2.7%
Sarepta Therapeutics Inc.	2.7%
Alkermes Plc	2.3%
Neurocrine Biosciences Inc.	2.2%
Cipher Pharmaceuticals Inc.	2.0%
ADMA Biologics Inc.	2.0%
CVR Medical Corp.	1.9%
Voyager Therapeutics	1.8%
REGENXBIO Inc.	1.7%
Nymox Pharmaceutical Corp.	1.7%
Viking Therapeutics Inc.	1.6%
Aurinia Pharmaceuticals Inc.	1.5%
IntelGenx Technologies Corp.	1.4%
BioDelivery Sciences International Inc.	1.4%

Top 25 Short Positions²

Issuer	% of Net Asset Value
Intra-Cellular Therapies Inc.	(0.3%)
Aurinia Pharmaceuticals Inc.	(0.3%)
Bluebird Bio Inc.	(0.0%)

Net Asset Value of Next Edge Bio-Tech Plus Fund as at December 31, 2019 \$10,643,811 CAD

2. These are all of the Fund's short positions as at December 31, 2019.

Next Edge Bio-Tech Plus Fund

General information

MANAGER AND PRINCIPAL DISTRIBUTOR

Next Edge Capital Corp.
1 Toronto Street, Suite 200
Toronto, ON M5C 2V6

Telephone: (416) 775-3600
Fax: (416) 775-3601
Toll Free: 1 (877) 860-1080

www.nextedgecapital.com

CUSTODIAN, REGISTRAR, TRANSFER AGENT AND VALUATION AGENT

RBC Investor & Treasury Services
155 Wellington Street West
Toronto, ON M5V 3H6

www.rbcits.com

BROKER

BMO Capital Markets Prime Brokerage
100 King Street West, 6th Floor
Toronto, ON M5X 1H3

www.bmocm.com

AUDITORS

Ernst & Young LLP
100 Adelaide Street West, P.O. Box 1
Toronto, ON M5H 0B3

www.ey.com

LEGAL COUNSEL

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

www.fasken.com

Next Edge Capital Corp.
1 Toronto St., Suite 200
Toronto, ON M5C 2V6

Tel: 416 775-3600
Fax: 416 775-3601

www.nextedgecapital.com