

Investing in companies of the future: A unique, well defined process of investing in North American small and mid-capitalization biotechnology companies.



## INVESTMENT OBJECTIVE

- The Next Edge Bio-Tech Plus Fund (the 'Fund') aims to achieve long-term capital appreciation through the ownership of small and mid-capitalization biotechnology and healthcare companies based in the US and Canada
- Sector exposure Includes: biotechnology, specialty pharma, medical devices, diagnostics, drug delivery, bioinformatics, agriculture & healthcare services



## FEATURES

- Technology has fused with biotech to accelerate drug discovery
- Innovation from research & development facilitates higher success rates on discoveries emerging from the clinic
- The regulatory environment has become more flexible and adaptive in both the USA and Europe
- In the opinion of the Fund's Portfolio Manager, there is potential for an unprecedented period of value creation in biotechnology
- Investing in healthcare contributes to funding the development and delivery of life saving and quality-of-life solutions



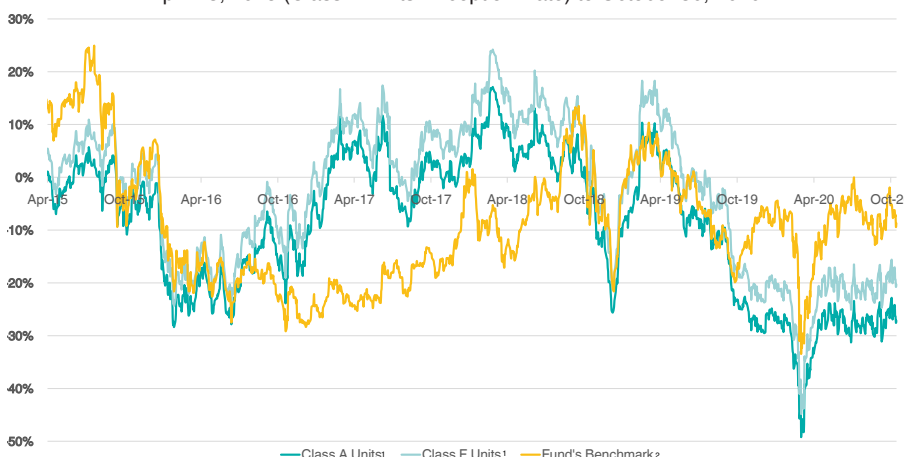
## THE BIOTECH OPPORTUNITY

- Investing in companies that have the potential to be tomorrow's winners
- A unique, well-defined investment process of investing in companies in the biotech area
- Risk managed with hedging overlays to reduce sector volatility and binary event risk that are common to companies in the biotech sector
- Human genome decoded in 2000 has transformed knowledge enabling significant breakthroughs

“For the expert investor, biotech is a dream come true; the sector is uncorrelated to other areas of the market, changes rapidly with evolving science, and is fueled by unstoppable demographic tailwinds as the global population ages. That's a pretty compelling trifecta, and it means there's likely to be lots of attractive investment opportunities in the years ahead.”

A New Dawn For Biotech? Forbes.com – January 14, 2015

**NEXT EDGE BIO-TECH PLUS FUND CLASS A UNITS<sup>1</sup> & F UNITS<sup>1</sup> VS. FUND'S BENCHMARK<sup>2</sup>**  
April 13, 2015 (Class A Units<sup>1</sup> Inception Date) to October 30, 2020



Source: RBC Investor & Treasury Services Inc., Next Edge Capital Corp.

	Class A <sup>1</sup>	Class F <sup>1</sup>	Fund's Benchmark <sup>2</sup>
NAV	\$7.25	\$7.93	N/A
1 month	-0.47%	-0.38%	-1.82%
YTD <sup>3</sup>	-3.22%	-2.24%	-3.80%
1 year	-5.23%	-4.03%	3.58%
3 year annualized	-11.10%	-10.06%	2.98%
Annualized Return Since Inception	-5.59%	-3.89%	-1.92%
Standard Deviation	25.99%	25.59%	25.94%
Worst Drawdown	-56.63%	-55.59%	-46.74%

## FUND DETAILS

<b>Manager</b>	Next Edge Capital Corp.
<b>Fund Type</b>	Mutual Fund Trust
<b>Launch Date</b>	January 2015
<b>Registered Plan Status</b>	Eligible
<b>Minimum Initial Investment</b>	\$5,000
<b>Minimum Subsequent Investment</b>	\$1,000
<b>Redemptions / Purchases</b>	Daily
<b>Management Fee</b> (Servicing fees are payable out of the management fee)	Class F - 1.25% Class A - 2.25% ( Includes 1% Servicing Fee)
<b>Performance Fee</b>	20% of gains greater than the performance of the percentage gain or loss of the S&P/TSX Capped Health Care Index (40%); and the percentage gain or loss of the NASDAQ Biotechnology Index (60%)
<b>Valuation Pricing</b>	Daily
<b>Fund Code</b>	Class A - NEC 213 Class F - NEC 214

## PORTFOLIO MANAGER EDEN RAHIM'S PHILOSOPHY AND BACKGROUND

Proven knowledge, relationships and experience investing in Biotechnology combined with hedging skills to navigate volatility and frequent binary events common to the space, enabling volatility to be turned into a source of returns.

## INVESTMENT MANAGEMENT TEAM



EDEN RAHIM

**Eden Rahim** is the Portfolio Manager for the Next Edge Bio-Tech Plus Fund. The only dedicated Biotech Mutual Fund in Canada. Since the inception the Fund has substantially outperformed its Benchmark. Eden also possesses a top quartile 5-year 5-Star growth fund Portfolio Manager track record over \$ 1 billion in assets

across 4 mandates at RBC Global Asset Management, in addition, Eden has delivered a +26% compounded annual return across a biotechnology mandate between 1995-2003. He also has extensive institutional hedging experience through major crises, and the structuring of Notes to create specific payoff profiles.

Eden's experience includes over two decades of the portfolio and hedge fund money management. Options Strategist, Derivatives & Biotech analyst and portfolio manager. He has managed and traded an options book spanning 250 + securities globally and 4 commodities, with the open interest of 500,000 contracts in addition to 14 Covered Call ETFs (over \$0.7 Billion AUM) in Canada, US & Australia employing his dynamic options writing discipline at Horizons Exchange Traded Funds.

Eden is a regular guest speaker about the biotech industry on Bloomberg TV and BNN as well as an author and contributor to many industry sources and major press articles in the US and Canada. For 3 years he has been a Panelist at the prestigious Bloom Burton Healthcare Conference.

**Michael Bird** is the Associate Portfolio Manager and Trader for the Next Edge Bio-Tech Plus Fund. Mike possesses over twenty-five years of options and derivative trading experience. He has previously Vice President and head of the equity derivative group at Desjardins Securities.



MIKE BIRD

Other previous experience includes working as a Vice President and Senior Trader in the equity derivatives group at RBC, and Vice President at CIBC/Wood Gundy, and options and proprietary trader at BNS. Michael has served on the TSE Derivative Markets Committee and is a Director and Chair of the Audit Committee of Intrinsyc Technologies Corporation (TSX: ITC).

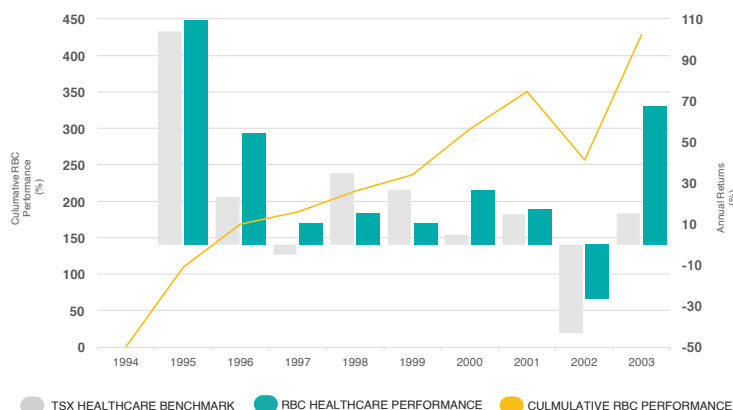
## NEXT EDGE CAPITAL

- Formed in July 2006, was renamed Next Edge Capital Corp. after the spinout of Man Investments Canada Corp. from Man Group plc ("Man") in June 2014.
- Licensed as an Exempt Market Dealer, Portfolio Manager and Investment Fund Manager.
- Management team responsible for raising over CDN \$3 Billion of alternative assets in Canada since 2000.\*\*
- Focused on providing unique, non-correlated investment ideas.

### PORTFOLIO MANAGER'S HEALTHCARE PERFORMANCE AT RBC

1995-2003\*

CUMULATIVE & ABSOLUTE PERFORMANCE VERSUS TSX HEALTHCARE BENCHMARK



Source: Next Edge Capital Corp.

\*Performance Attribution was earned as a subsector within the RBC Canadian Equity Fund and RBC Canadian Balanced Fund for the period of March 1995 to October 2003

\*\*Please note that over CDN \$2 Billion of the CDN \$3 Billion of alternative assets raised relates to assets raised at a previous firm(s).

The current landscape offers a plethora of healthcare funds and ETFs providing access to yesterday's winners. The Next Edge Bio-Tech Plus Fund provides access to small-to-midcap biotech and healthcare companies, the potential winners of tomorrow. From the universe of biotech and healthcare companies, the Fund focuses on those conducting late-stage clinical trials, or early commercialization: a 3 year window in a decade long process to develop a drug for market. In order to manage binary and volatility risks associated with investing in biotech companies, options are an indispensable tool. Furthermore, a proven basket approach with a hedge overlay reduces portfolio risk by mitigating the impact of the biotech sector volatility. This approach allows for company selection to deliver excess returns. Finally, when the sector becomes extended, cash holdings will be increased, and reallocated when oversold. Collectively, these key aspects of our demonstrated approach – hedging company & portfolio risk, and disciplined stock selection – can lead to superior long term returns.

**PERCENT ADVANCE IN THE STOCK PRICE**

**YEARS FROM DISCOVERY TO COMMERCIALIZATION**

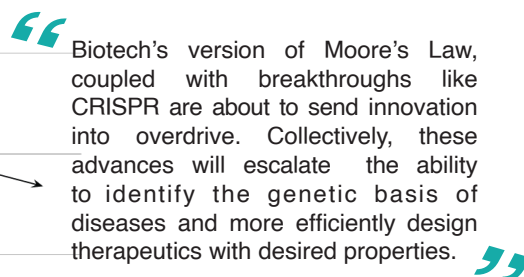
**PHASES AND MILESTONES:**

- Pre-Clinical/ Phase 1:** DILUTIVE PROOF OF CONCEPT PHASE (Years 1-4.5)
- Phase 2a/2b Clinical Trials:** IS THERE A REAL DRUG HERE? (Year 4.5)
- Phase 3 Clinical Trials:** ENTER POSITION (Year 7.5)
- Post P2 - Pre P3 results is investment window:** SUCCESS (Year 7)
- INTERIM/DSMB?:** PENDING P3 DATA: SELL/ HEDGE/ SWAP (Years 7.5-10.5)
- SAE / Clinical Hold:** (Year 9.5)
- OUTCOMES:** BLOCKBUSTER, GOOD DRUG, SPECIALTY DRUG, NOT APPROVED, FAILED

*By Eden Rahim*

Source: Next Edge Capital Corp.

Cost per Genome  
2001 to 2015



Source: National Research Institute (NHGRI), Next Edge Capital Corp.

## HISTORICAL PERFORMANCE<sup>1</sup> Class A

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2020</b>	-4.81%	-9.36%	0.08%	11.14%	2.80%	-2.65%	-0.54%	3.04%	-1.21%	-0.47%	-	-	-3.22% <sup>3</sup>
<b>2019</b>	16.42%	13.20%	3.05%	-3.56%	-8.48%	-1.85%	-0.52%	-4.50%	-8.38%	-7.02%	-4.12%	2.14%	-6.76%
<b>2018</b>	5.97%	1.84%	1.60%	-8.80%	2.26%	2.02%	-2.94%	4.43%	0.21%	-12.13%	-4.68%	-11.29%	-21.27%
<b>2017</b>	4.70%	9.94%	2.23%	3.04%	-8.81%	9.44%	-12.49%	1.49%	5.47%	1.47%	-0.17%	-0.94%	13.74%
<b>2016</b>	-19.36%	-6.35%	2.23%	4.93%	0.73%	-8.01%	14.00%	1.96%	5.06%	-9.56%	2.73%	6.71%	-9.11%
<b>2015</b>	-	-	-	-6.01%*	4.76%	3.25%	0.81%	-2.52%	-6.94%	-1.44%	7.15%	0.57%	-1.25% <sup>3</sup>

## HISTORICAL PERFORMANCE<sup>1</sup> Class A1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2020</b>	-4.69%	-9.26%	0.21%	11.28%	2.93%	-2.52%	-0.41%	3.17%	-1.09%	-0.35%	-	-	-2.00% <sup>3</sup>
<b>2019</b>	16.56%	13.31%	3.17%	-3.45%	-8.37%	-1.74%	-0.40%	-4.38%	-8.27%	-6.90%	-4.01%	2.28%	-5.41%
<b>2018</b>	6.10%	1.94%	1.71%	-8.70%	2.38%	2.13%	-2.83%	4.56%	0.32%	-12.02%	-4.57%	-11.19%	-20.19%
<b>2017</b>	4.74%	8.05%	2.47%	3.13%	-8.69%	9.56%	-12.39%	1.60%	5.58%	1.59%	-0.07%	-0.84%	13.20%
<b>2016</b>	-19.27%	-6.24%	2.34%	5.04%	0.78%	-7.92%	14.12%	2.09%	5.00%	-9.31%	2.95%	6.69%	-8.01%
<b>2015</b>	-	1.93%**	0.24%	-4.26%	4.88%	3.58%	1.33%	-2.41%	-6.76%	-1.32%	7.27%	0.69%	4.44% <sup>3</sup>

## HISTORICAL PERFORMANCE<sup>1</sup> Class F

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2020</b>	-4.71%	-9.28%	0.19%	11.26%	2.90%	-2.55%	-0.43%	3.14%	-1.11%	-0.38%	-	-	-2.24% <sup>3</sup>
<b>2019</b>	16.53%	13.29%	3.15%	-3.47%	-8.39%	-1.76%	-0.43%	-4.40%	-8.28%	-6.92%	-4.03%	2.29%	-5.63%
<b>2018</b>	6.07%	1.92%	1.69%	-8.72%	2.36%	2.11%	-2.85%	4.56%	0.29%	-12.05%	-4.60%	-11.21%	-20.38%
<b>2017</b>	4.85%	8.01%	2.24%	3.12%	-8.60%	9.55%	-12.41%	1.66%	5.59%	1.57%	-0.08%	-0.86%	13.08%
<b>2016</b>	-19.29%	-6.36%	2.40%	5.01%	0.76%	-7.94%	14.09%	2.06%	4.97%	-9.33%	2.92%	6.65%	-8.30%
<b>2015</b>	-	1.93%**	0.22%	-4.29%	4.86%	3.56%	1.31%	-2.43%	-6.79%	-1.35%	7.21%	0.67%	4.15% <sup>3</sup>

## HISTORICAL PERFORMANCE<sup>1</sup> Class F1

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2020</b>	-4.61%	-9.18%	0.30%	11.38%	3.01%	-2.43%	-0.32%	3.26%	-1.01%	-0.26%	-	-	-1.15% <sup>3</sup>
<b>2019</b>	16.66%	13.40%	3.25%	-3.36%	-8.29%	-1.66%	-0.31%	-4.30%	-8.18%	-6.82%	-3.93%	2.37%	-4.41%
<b>2018</b>	6.20%	2.02%	1.80%	-8.62%	2.47%	2.22%	-2.74%	4.72%	0.40%	-11.94%	-4.49%	-11.11%	-19.30%
<b>2017</b>	4.32%	8.08%	2.50%	3.18%	-8.58%	9.66%	-12.31%	1.69%	5.67%	1.68%	0.02%	-0.75%	13.70%
<b>2016</b>	-19.21%	-6.16%	2.43%	5.12%	0.88%	-7.85%	14.21%	2.19%	5.09%	-9.23%	3.01%	6.72%	-7.12%
<b>2015</b>	-	1.97%**	0.34%	-4.18%	4.98%	3.69%	1.43%	-2.31%	-6.66%	-1.22%	7.38%	0.80%	5.52% <sup>3</sup>

## HISTORICAL PERFORMANCE<sup>2</sup> Benchmark

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2020</b>	-4.49%	-4.49%	-9.52%	13.06%	8.20%	0.56%	-1.09%	-0.67%	-1.79%	-1.82%	-	-	-3.80% <sup>3</sup>
<b>2019</b>	23.92%	2.48%	0.32%	-2.15%	-9.33%	6.74%	-7.06%	-6.36%	-4.75%	3.95%	6.58%	1.03%	11.94%
<b>2018</b>	3.69%	-7.10%	-0.59%	-3.19%	7.01%	3.38%	0.79%	12.82%	4.67%	-15.71%	0.55%	-13.15%	-10.15%
<b>2017</b>	2.68%	6.17%	-2.63%	-0.85%	-1.80%	7.97%	0.93%	1.24%	1.35%	-3.01%	3.95%	8.58%	26.51%
<b>2016</b>	-18.33%	-5.30%	-3.07%	3.79%	2.03%	-9.03%	8.51%	-2.57%	0.78%	-10.37%	2.81%	-2.62%	-30.94%
<b>2015</b>	-	4.53%**	4.05%	-1.68%	6.76%	0.87%	6.40%	-8.95%	-14.52%	0.70%	9.67%	0.48%	5.84% <sup>3</sup>

## IMPORTANT NOTES

1. Next Edge Bio-Tech Plus Fund returns are net of all fees and expenses associated with Class A Units charged from May 1, 2015. Next Edge Bio-Tech Plus Fund returns are net of all fees and expenses associated with Class A1 Units, Class F Units, and Class F1 Units charged from March 1, 2015. Returns for 2020 are unaudited. Therefore, performance statistics containing 2020 figures shown in this material are subject to final confirmation. The historical annualized rates of return for the Next Edge Bio-Tech Plus Fund Class A Units as of October 30, 2020 are 1 yr -5.23%, 3 yr -11.10%, 5 yr -4.57%, 10 yr N/A, and CARR -5.59%; for Class A1 Units are 1 yr -3.78%, 3 yr -9.83%, 5 yr -3.61%, 10 yr N/A, and CARR -3.66%; for Class F Units are 1 yr -4.03%, 3 yr -10.06%, 5 yr -3.84%, 10 yr N/A, and CARR -3.89%; for Class F1 Units are 1 yr -2.78%, 3 yr -8.86%, 5 yr -2.71%, 10 yr N/A, and CARR -2.75%.

2. The Benchmark for the Next Edge Bio-Tech Plus Fund is:

(i) 40% of the percentage gain or loss of the S&P/TSX Capped Health Care Index; plus

(ii) 60% of the percentage gain or loss of the NASDAQ Biotechnology Index

The Benchmark returns are unaudited and subject to final confirmation. The historical annualized rates of return for the Benchmark as of October 30, 2020 are 1 yr 3.58%, 3 yr 2.98%, 5 yr -1.41%, 10 yr N/A, and CARR -1.92%.

The Benchmark is not representative of the Fund's investment strategy as the Fund invests in small and mid-capitalization biotechnology and healthcare companies based in the US and Canada whereas the Benchmark involves investing in predominantly large capitalization biotechnology and healthcare companies based in the US and Canada.

3. Part Year

\* Part Month start date April 13, 2015 to April 30, 2015

\*\* Part Month start date February 17, 2015 to February 27, 2015.

There are inherent limitations in any comparison between a managed portfolio and a passive index. Each index represents a passive investment strategy and does not incur management fees, transaction costs or other expenses associated with a private fund. There are risks inherent in hedge fund investing programs.

Note to Investment Professionals: The information in the Monthly Report is being provided to current investors in the Fund and is being provided to their registered dealers for informational purposes only.

This is not a sales literature and cannot be used as such.

The Fund is not a trust company and does not carry on business as a trust company and, accordingly, the Fund is not registered under the trust company legislation of any jurisdiction. Units of the Fund are not 'deposits' within the meaning of the Canada Deposit Insurance Corporation Act (Canada) are not insured under provisions of that Act or any other legislation.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from the registration requirements of those laws.

The information provided herein is for information purposes only and does not constitute a solicitation, public offering, advice or recommendations to buy or sell interests in the Fund, the Portfolio, Units or any other Next Edge Product. Please refer to the Fund's prospectus for more information on the Fund as any information in this Report is qualified in its entirety by the disclosure therein.

Opinions expressed are those of the author as of the date of their publication, are subject to change and may not reflect the opinion of all members of the Company. Some statements contained in this material concerning goals, strategies, outlook or other non-historical matters may be "forward-looking statements" and are based on current indicators and expectations at the date of their publication. We undertake no obligation to update or revise them. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those implied in the statements.

### PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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