

Annual Report of the Independent Review Committee Report to the Securityholders of the Next Edge Group of Funds

February 28, 2022

Dear Securityholder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** (“NI 81-107” or the “Instrument”), the Manager established an Independent Review Committee (the “Committee” or “IRC”) for the Funds in May 2009 (the “Funds”).

The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals, each of whom is independent of the Funds, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to Securityholders, covering the period from January 1, 2021 to December 31, 2021 (the “Reporting Period”).

Mandate of the IRC

In accordance with the Instrument, the mandate of the IRC is to consider and provide decisions to the Manager on conflicts of interest to which the Manager may be subject when managing the Funds. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Funds, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a decision to the Manager as to whether, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SI’s”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SI’s.

The IRC is empowered to represent the best interest of the Funds in any matter where the Manager has referred a conflict of interest matter to it. In those cases, the IRC has sought to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the Funds.

Composition of the IRC

The current members of the IRC, and their principal occupations, are as follows:

| <i>Name and Municipality of Residence</i> | <i>Principal Occupation</i> | <i>Term of Office</i> |
|--|--|--|
| Chair: Eamonn B.P. McConnell, Toronto, Ontario | Consultant, Managing Director Kensington Capital | Originally appointed May 2009. Re-appointed for two years from January 1, 2022 |
| W. William Woods, Toronto, Ontario | Consultant, Independent Director, former CEO of Bermuda Stock Exchange | Originally appointed May 2009. Resigned effective December 31, 2021 |
| Geoff Salmon, Barrie, Ontario | Managing Director Independent Review Inc. | Originally appointed: February 14, 2014. Re-appointed for three years from January 1, 2020. |
| Anthony L. Cox, Toronto, Ontario | Financial Executive. | Originally appointed: January 1, 2022 until December 31, 2022. |

William Woods resigned effective December 31, 2021. On October 22 2021 the IRC met and in consultation with the Manager, the remaining members of the IRC reviewed several candidates and selected Anthony Cox to replace William Woods on the Next Edge IRC appointing him for a period of one year effective January 1, 2022.

On October 22, 2021, Eamonn McConnell was re-appointed to the IRC for two years with effect from January 1, 2022.

Compensation and Indemnification

Review of Compensation

The IRC reviewed its compensation which included a consideration of:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

The IRC concluded that its fees were adequate at present.

Members' Fees

In aggregate, the IRC members were paid \$30,000 in 2021, plus applicable taxes.

Indemnities Granted

The Funds and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No payments were paid to the IRC Members pursuant to this indemnity by the Funds or the Manager during the Reporting Period.

Disclosure of IRC Members' Holdings

As of December 31, 2021, the IRC Members did not beneficially own, directly or indirectly:

- any units in any of the Funds;
- any interests in the Manager; or,
- any interests in a company or person that provides services to the Manager or any Fund.

Decisions and Approvals

The IRC did not provide any decisions or approvals during the Reporting Period.

Standing Instruction Approved

The IRC has approved one SI, which constitutes a written approval or decision from the IRC. The SI permits the Manager to proceed with the specific action(s) set out in the SI on an ongoing basis, without having to refer the conflict of interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. In each case, the SI required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

Standing Instruction No. 1: Omnibus.

This SI deals with a number of conflict of interest matters including:

1. Fees and Expenses
2. Trade Allocations
3. Portfolio Pricing Issues
4. Pricing Errors and Other Errors
5. Distribution Issues
6. Showing Favouritism
7. Outsourcing to Third-Party Services
8. Personal Trading
9. Benchmarking Indices
10. Client Complaints
11. Capacity Issues

Manager’s Report on its Standing Instruction

In accordance with the Instrument, the Manager provided a written report to the IRC describing its reliance on the SI during the Reporting Period. The Manager relied on the SI No. 1 during the Reporting Period.

Funds served by the IRC during the Reporting Period

Next Edge Biotech and Life Sciences Opportunities Fund
Next Edge Strategic Metals and Commodities Fund

This report is available on the Manager’s website at <http://nextedgecapital.com/> or you may request a copy, at no cost to you, by contacting the Next Edge Funds at 1 877-860-1080 or by emailing the Next Edge Funds at info@nextedgecapital.com. This document and other information about the Next Edge Funds, is available at www.sedar.com.

Yours truly,

“Eamonn McConnell”

Eamonn McConnell, Chair

Schedule of the Independent Review Committees on which the IRC Members Serve

Eamonn McConnell served as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers, managed by 3iQ Corp.;
Investment funds that are reporting issuers managed by Edgehill Partners LP;
Investment funds that are reporting issuers managed by Genus Capital Management Inc.;
Investment funds that are reporting issuers managed by Next Edge Capital Corp.
Investment funds that are reporting issuers managed by Ninepoint Partners LP;
Investment funds that are reporting issuers managed by SmartBe Wealth Inc.

W. William Woods served as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers, managed by 3iQ Corp;
Investment funds that are reporting issuers, managed by Educators Financial Group Inc.
Investment funds that are reporting issuers managed by Next Edge Capital Corp.
(Retired December 31, 2021);
Investment funds that are reporting issuers managed by Ninepoint Partners LP;
Investment funds that are reporting issuers managed by Northwest & Ethical Investments L.P
Investment funds that are reporting issuers managed by Spartan Asset Management Inc.
Investment funds that are reporting issuers managed by Russell Investments Canada Limited

Geoff Salmon served as a member of the Independent Review Committees for the following funds:

Investment Funds that are reporting issuers managed by Accelerate Financial Technologies Inc.;
Investment Funds that are reporting issuers managed by Algonquin Capital Corp.
Investment Funds that are reporting issuers managed by Edgehill Partners.;
Investment funds that are reporting issuers managed by Federated Investors Canada ULC.;
(Ceased to be a member November 12, 2021)
Investment funds that are reporting issuers managed by Genus Capital Management Inc.
Investment funds that are reporting issuers managed by Hamilton Capital Partners Ltd.;
Investment funds that are reporting issuers managed by Integra Capital Limited;
Investment Funds that are reporting issuers managed by McElvaine Investment Management Ltd.;
Investment funds that are reporting issuers managed by Next Edge Capital Corp.

Anthony Cox serves as a member of the Independent Review Committees for the following funds:

Investment funds that are reporting issuers managed by Next Edge Capital Corp.
Investment funds that are reporting issuers managed by Harvest Portfolios Group Inc.
(Resigned effective August 12, 2021)
Investment funds that are reporting issuers managed by Connor, Clark & Lunn Financial Group; and
Investment funds that are reporting issuers managed by PIMCO Canada Corp.