



## NEXT EDGE MUTUAL FUNDS

### Simplified Prospectus

|                                                                                            |                |
|--------------------------------------------------------------------------------------------|----------------|
| <b>Next Edge Biotech and Life Sciences Opportunities Fund</b> , an alternative mutual fund | Class A units  |
|                                                                                            | Class A1 units |
|                                                                                            | Class F units  |
|                                                                                            | Class F1 units |
| <b>Next Edge Strategic Metals and Commodities Fund</b> , an alternative mutual fund        | Class A units  |
|                                                                                            | Class F units  |
|                                                                                            | Class I units  |
| <b>Veritas Next Edge Premium Yield Fund</b>                                                | Class A units  |
|                                                                                            | Class F units  |
|                                                                                            | Class I units  |

October 20, 2023

*The Funds and the units of the Funds are offered under this document in all of the provinces of Canada. The units are intended primarily for purchase by residents of Canada. The units offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations. No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.*

## TABLE OF CONTENTS

|                                                          |    |
|----------------------------------------------------------|----|
| INTRODUCTION .....                                       | 1  |
| RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION .....      | 2  |
| Manager and Trustee .....                                | 2  |
| Investments and Voting Policy for Underlying Funds ..... | 4  |
| Portfolio Advisers and Sub-Advisors .....                | 4  |
| Brokerage Arrangements .....                             | 6  |
| Custodian .....                                          | 7  |
| Independent Auditor .....                                | 7  |
| Administrator, Registrar and Valuation Agent .....       | 7  |
| Independent Review Committee and Fund Governance .....   | 8  |
| Policies and Practices .....                             | 11 |
| Remuneration of Directors and Officers .....             | 13 |
| Material Contracts .....                                 | 13 |
| Designated Website .....                                 | 14 |
| VALUATION FOR PORTFOLIO SECURITIES .....                 | 14 |
| CALCULATION OF NET ASSET VALUE .....                     | 15 |
| PURCHASES, SWITCHES AND REDEMPTIONS .....                | 16 |
| How We Price the Funds' Units .....                      | 16 |
| Purchases .....                                          | 17 |
| Capping of the Funds or a Class .....                    | 17 |
| Redemptions .....                                        | 18 |
| Switches and Redesignations .....                        | 18 |
| Short-Term Trading .....                                 | 19 |
| OPTIONAL SERVICES .....                                  | 20 |
| Pledges .....                                            | 20 |
| Registered Plans .....                                   | 20 |
| FEES AND EXPENSES .....                                  | 21 |
| Fees and Expenses Payable by the Funds .....             | 22 |
| Fees and Expenses Payable Directly by You .....          | 25 |
| DEALER COMPENSATION .....                                | 26 |
| Other Kinds of Dealer Compensation .....                 | 27 |
| INCOME TAX CONSIDERATIONS .....                          | 27 |

|                                                                                                                                                                                                            |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Income Tax Considerations for the Funds.....                                                                                                                                                               | 28 |
| Income Tax Considerations for Unitholders .....                                                                                                                                                            | 30 |
| WHAT ARE YOUR LEGAL RIGHTS? .....                                                                                                                                                                          | 33 |
| EXEMPTIONS AND APPROVALS .....                                                                                                                                                                             | 33 |
| CERTIFICATE OF NEXT EDGE BIOTECH AND LIFE SCIENCES OPPORTUNITIES FUND<br>NEXT EDGE STRATEGIC METALS AND COMMODITIES FUND AND VERITAS NEXT<br>EDGE PREMIUM YIELD FUND AND OF THE MANAGER AND PROMOTER ..... | 34 |
| SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS DESCRIBED IN THIS<br>DOCUMENT .....                                                                                                                            | 35 |
| WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL<br>FUND? .....                                                                                                                       | 35 |
| What is a Mutual Fund? .....                                                                                                                                                                               | 35 |
| What are the risks of investing in a mutual fund generally? .....                                                                                                                                          | 35 |
| What are the specific investment risks of investing in a mutual fund?.....                                                                                                                                 | 36 |
| INVESTMENT RESTRICTIONS.....                                                                                                                                                                               | 44 |
| DESCRIPTION OF UNITS OFFERED BY THE FUNDS .....                                                                                                                                                            | 46 |
| NAME, FORMATION AND HISTORY OF THE FUNDS.....                                                                                                                                                              | 49 |
| INVESTMENT RISK CLASSIFICATION METHODOLOGY .....                                                                                                                                                           | 50 |
| INFORMATION APPLICABLE TO ONE OR MORE FUNDS .....                                                                                                                                                          | 53 |
| NEXT EDGE BIOTECH AND LIFE SCIENCES OPPORTUNITIES FUND.....                                                                                                                                                | 57 |
| NEXT EDGE STRATEGIC METALS AND COMMODITIES FUND.....                                                                                                                                                       | 61 |
| VERITAS NEXT EDGE PREMIUM YIELD FUND .....                                                                                                                                                                 | 66 |

## INTRODUCTION

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

- **We, us, our, Manager, Trustee and Next Edge** refer to Next Edge Capital Corp. in its capacity as trustee, manager and portfolio manager of the Funds.
- **You** refers to an individual investor and everyone who invests or may invest in the Funds.
- **Alternative Funds** means, together, Next Edge Biotech and Life Sciences Opportunities Fund and Next Edge Strategic Metals and Commodities Fund.
- **Business Day** refers to any day except Saturdays, Sundays or a statutory holiday in Toronto.
- **Class(es)** refers to a class or classes of Units of a Fund.
- **Dealer** refers to both the dealer and the registered representative in your province who advises you on your investments.
- **Declaration of Trust** means, together, the amended and restated master declaration of trust dated November 3, 2020 (the “**Master Trust Declaration**”) and, as applicable, the amended and restated supplemental trust declaration dated October 14, 2022 in respect of Next Edge Biotech and Life Sciences Opportunities Fund, the supplemental trust declaration dated June 22, 2021 in respect of Next Edge Strategic Metals and Commodities Fund and the supplemental trust declaration dated October 15, 2021 in respect of Veritas Next Edge Premium Yield Fund (collectively, the “**Supplemental Trust Declarations**” and each a “**Supplemental Trust Declaration**”).
- **Delbrook** means Delbrook Capital Advisors Inc.
- **Funds** refers, collectively, to Next Edge Biotech and Life Sciences Opportunities Fund, Next Edge Strategic Metals and Commodities Fund and Veritas Next Edge Premium Yield Fund and each, individually, as a **Fund**, each offered to the public under this Simplified Prospectus. The Funds are subject to National Instrument 81-101 *Mutual Fund Simplified Prospectus Disclosure* and National Instrument 81-102 *Investment Funds* (“**NI 81-102**”).
- **Net Asset Value or NAV** means the net asset value of a Class of Units of a Fund or the net asset value of a Fund, as the case may be.
- **Portfolio Manager** means: (i) Next Edge, in respect of it acting as portfolio manager to the Funds; (ii) Delbrook, in respect of it acting as sub-advisor to Next Edge Strategic Metals and Commodities Fund; and (iii) Veritas, in respect of it acting as sub-advisor to Veritas Next Edge Premium Yield Fund.
- **Registered Plans** refer to RRSPs, RRIFs, TFSAs, RDSPs, FHSAs, RESPs and DPSPs, each as defined under the “*Optional Services – Registered Plans*” section of this Simplified Prospectus.
- **Simplified Prospectus** refers to this Simplified Prospectus

- **Units**, means collectively, the Class A Units, Class A1 Units, Class F Units, Class F1 Units and Class I Units; individually a “**Unit**”.
- **Unitholders** means the holders of a Class of Units; individually, a “**Unitholder**”.
- **Veritas** means Veritas Asset Management Inc.

This document contains selected important information about the Funds listed on the front cover to help you make an informed investment decision and to help you understand your rights. The Alternative Funds are also considered to be “alternative mutual funds”, as defined in NI 81-102. This permits the Alternative Funds to use strategies generally prohibited to conventional mutual funds and as described herein. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

This document is divided into two parts. The first part, from pages 1 through 52, contains general information applicable to all of the Funds. The second part, from pages 53 through 69, contains specific information about each of the Funds described in this document.

You will find more information about the Funds in the following documents:

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

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

These documents and other information about the Funds are, or will be, available at no charge on the Funds’ designated website at [www.nextedgecapital.com](http://www.nextedgecapital.com) and are also available at [www.sedarplus.ca](http://www.sedarplus.ca).

## **RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION**

### ***Manager and Trustee***

Next Edge is the manager and trustee of the Funds pursuant to the terms of the applicable Declaration of Trust. Next Edge is a corporation established under the laws of Canada, with its office in located at 1 Toronto Street, Suite 200 Toronto, Ontario, M5C 2V6. The toll-free number for the Manager is 1-877-860-1080, the e-mail address is [info@nextedgecapital.com](mailto:info@nextedgecapital.com) and the website is [www.nextedgecapital.com](http://www.nextedgecapital.com).

As Manager, we manage the overall business and operations of the Funds. Next Edge provides or arranges for the administrative services of the Funds including valuation services, fund accounting and securityholder records. Next Edge receives a management fee in respect of the Funds and is reimbursed

for expenses of the Funds pursuant to the terms of the Declaration of Trust in return for the services provided to the Funds, as described below under “*Independent Review Committee and Fund Governance*”. Next Edge may also receive performance fees from the Funds in certain circumstances, as more specifically described in this Simplified Prospectus.

The Funds are organized as unit trusts. When you invest in the Funds, you are buying units of the trusts. As Trustee, we are the legal owner of the assets of the Funds and hold those assets on your behalf.

The Declaration of Trust (comprised of the Master Trust Declaration and a Fund’s Supplemental Trust Declaration) contains the following key terms:

- the Trustee will be reimbursed for all expenses of the Funds paid by the Trustee;
- the Funds have agreed to indemnify Next Edge and other parties subject to certain limitations and restrictions;
- the Trustee may terminate the Funds in accordance with applicable securities law requirements;
- Next Edge, as manager, will be paid a management fee as described herein; and
- the Manager may be responsible for expenses of the Funds in certain circumstances as described herein.

In addition, Next Edge has the right to resign as manager or trustee of the Funds by giving written notice to Unitholders of the Funds in accordance with the Declaration of Trust. The prior approval of the Unitholders is required for the appointment of a successor manager unless the new manager is an affiliate of Next Edge. If the trustee is removed as trustee by the Unitholders, Next Edge shall appoint a new trustee. If, for any reason, Next Edge resigns or ceases to be manager or trustee of the Funds and a new manager or trustee is not appointed, the Funds will terminate and the property of the Funds will be distributed in accordance with the Declaration of Trust.

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:

| <b><i>Name and Municipality of Residence</i></b> | <b><i>Current Position and Office(s) with Next Edge</i></b>                                      |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Robert H. Anton<br>Oakville, Ontario             | Acting Chief Executive Officer, Managing Director, President and Director of Next Edge           |
| David A. Scobie<br>Toronto, Ontario              | Ultimate Designated Person, Managing Director, Chief Operating Officer and Director of Next Edge |
| Michael Lawrence Guy<br>Georgetown, Ontario      | Chief Compliance Officer and Managing Director                                                   |

Each director and executive officer is responsible for managing and supervising the business and affairs of Next Edge. The Funds, as mutual funds constituted as trusts, do not have any directors or officers. As noted, Next Edge is also the trustee for each Fund. The trustee holds the assets of each Fund in trust on behalf of Unitholders. Next Edge is not paid a fee for acting as trustee of the Funds.

### ***Investments and Voting Policy for Underlying Funds***

The Funds may invest in underlying funds, subject to certain conditions. Next Edge, as manager, will either not vote the securities of the underlying funds if the underlying funds are managed by Next Edge or an affiliate or will pass the voting rights directly to securityholders of such funds. Next Edge may, in some circumstances, choose not to pass the vote to Unitholders because of the complexity and costs associated with doing so.

### ***Portfolio Advisers and Sub-Advisors***

#### ***Next Edge***

Next Edge also provides portfolio management services to the Funds pursuant to the Master Declaration of Trust. Next Edge also has the power to retain other firms to act as portfolio advisors, portfolio managers and sub-advisors of the Fund. In accordance with such power, Next Edge has retained Delbrook and Veritas, as described herein.

Each of the Portfolio Managers provides investment management services to other clients. Those client accounts may follow the same or similar investment objectives and strategies as used by the Funds. In placing an order to buy and sell securities, execution between a Fund and other accounts will be conducted in a manner that the applicable Portfolio Manager believes is fair and equitable. Each Portfolio Manager and its principals may also trade in securities for their personal accounts and may also invest in the same securities as a Fund. In doing so, each Portfolio Manager and its principals will comply with all applicable laws.

Investment decisions for a Fund are made completely and solely by its Portfolio Manager and as described herein. Subject to the Manager's duty of general oversight, investment decisions made by the Portfolio Managers are not subject to oversight, approval or ratification by the Manager except where the Manager itself acts as the Portfolio Manager.

Next Edge manages the investment portfolio of both Next Edge Biotech and Life Sciences Opportunities Fund and Veritas Next Edge Premium Yield Fund (which is sub-advised by Veritas) in accordance with the investment objectives, restrictions and strategies of Next Edge Biotech and Life Sciences Opportunities Fund and Veritas Next Edge Premium Yield Fund respectively. Next Edge has the discretion to make investment decisions and arrange for the acquisition and disposition of portfolio investments, including all necessary brokerage arrangements of such Funds. Next Edge receives a fee for the portfolio advisory services it provides to Next Edge Biotech and Life Sciences Opportunities Fund and Veritas Next Edge Premium Yield Fund.

#### **Next Edge Biotech and Life Sciences Opportunities Fund**

The following employees of Next Edge primarily make the investment decisions and are principally responsible for the day-to-day management of a material portion of the portfolio of Next Edge Biotech and Life Sciences Opportunities Fund:

| <b>Name</b>  | <b>Title at Next Edge</b>   |
|--------------|-----------------------------|
| Eden Rahim   | Portfolio Manager           |
| Michael Bird | Associate Portfolio Manager |

### Veritas Next Edge Premium Yield Fund

The following employees of Next Edge primarily make the investment decisions and are principally responsible for the day-to-day management of a material portion of the portfolio of Veritas Next Edge Premium Yield Fund:

| Name         | Title at Next Edge          |
|--------------|-----------------------------|
| Eden Rahim   | Portfolio Manager           |
| Michael Bird | Associate Portfolio Manager |

### *Veritas Asset Management Inc.*

With respect to Veritas Next Edge Premium Yield Fund, as noted, Next Edge has entered into a sub-advisory agreement dated October 15, 2021 (the “**Veritas Sub Advisory Agreement**”) with Veritas, located in Toronto, Ontario, pursuant to which Veritas will provide a model portfolio of securities recommendations to Next Edge in order to assist Next Edge in making its investment selections for Veritas Next Edge Premium Yield Fund.

The Veritas Sub Advisory Agreement includes the following key terms:

- the Veritas Sub Advisory Agreement may be terminated for a number of reasons, including if the Manager or Veritas fails to maintain all necessary registrations or qualifications to effect the purposes of the agreement, or if either of the Manager or Veritas consistently fails to discharge its duties and obligations under the agreement; and
- the Veritas Sub Advisory Agreement may be terminated by mutual agreement of the Manager and Veritas, in which case the Fund will be wound down in an organized manner over the course of a six (6) month time period.

The following employees of Veritas are principally responsible for providing sub-advisory services to Next Edge that will assist Next Edge in making its investment selections for Veritas Next Edge Premium Yield Fund:

| Name              | Title at Veritas        |
|-------------------|-------------------------|
| Antonio Scilipoti | Portfolio Manager       |
| Samuel LaBell     | Advising Representative |

### *Delbrook Capital Advisors Inc.*

### Next Edge Strategic Metals and Commodities Fund

Next Edge has retained Delbrook, located in Vancouver, British Columbia, to provide investment sub-advisory services to Next Edge Strategic Metals and Commodities Fund pursuant to an investment sub-advisory agreement dated June 22, 2021 (the “**Delbrook Investment Sub Advisory Agreement**”).

As portfolio sub-advisor of Next Edge Strategic Metals and Commodities Fund, Delbrook will manage the assets held by Next Edge Strategic Metals and Commodities Fund in accordance with its investment objectives and investment strategies and subject to applicable investment restrictions.

The Delbrook Investment Sub Advisory Agreement includes the following key terms:

- the Delbrook Sub Advisory Agreement may be terminated for a number of reasons, including if the Manager or Delbrook fails to maintain all necessary registrations or qualifications to effect the purposes of the agreement, or if, as applicable, either of the Manager or Delbrook consistently fails to discharge its duties and obligations under the agreement.
- the Manager may terminate the agreement on 90 days prior written notice and Delbrook may terminate the agreement on 150 days prior written notice.

The following employee of Delbrook makes the investment decisions and is principally responsible for the day-to-day management of a material portion of the portfolio of Next Edge Strategic Metals and Commodities Fund:

| Name                | Title at Delbrook |
|---------------------|-------------------|
| Matthew J. Zabloski | Portfolio Manager |

### ***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 Funds by Next Edge.

Next Edge will make reasonable efforts to achieve best execution for portfolio transactions executed on behalf of the Funds. 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 Funds.

Next Edge may in its discretion allocate brokerage transactions of the Funds 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 Funds and which provide the Funds 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 Funds’ 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@nextedgecapital.com](mailto:info@nextedgecapital.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.

Next Edge is not affiliated with any broker or dealer.

### ***Custodian***

RBC Investor Services Trust of Toronto, Ontario is the custodian of the assets of the Funds pursuant to a custodian agreement as of May 7, 2016 (the “**Custodian Agreement**”) and as amended from time to time. The custodian holds the assets of the Funds in accordance with the terms of the Custodian Agreement and the instructions of Next Edge, the trustee and manager of the Funds. The Custodian Agreement includes the following key terms:

- the Custodian is entitled to an annual fee for services provided to the Funds;
- the Funds have agreed to indemnify the Custodian subject to regulatory limitations and restrictions; and
- any party may terminate the agreement on 90 days prior written notice to the other party.

Where the Funds make use of listed or over-the-counter derivatives, the Funds may deposit portfolio securities or cash as margin in respect of these transactions with a dealer or the other counterparty to the derivative transaction in accordance with applicable securities legislation.

### ***Independent Auditor***

Ernst & Young LLP of Toronto, Ontario was the independent auditor of the Funds until August 31, 2023. Effective as of September 1, 2023 the independent auditor of the Funds is Deloitte LLP of Toronto, Ontario. Deloitte LLP is independent of the Funds in accordance with the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario. The independent auditor is responsible for auditing the annual financial statements of the Funds and expressing an opinion based on its audit as to whether such financial statements comply in all material respects with International Financial Reporting Standards.

The auditor of the Funds may not be changed unless the independent review committee of the Fund (the “**IRC**”) has approved the change and a written notice describing the change is sent to Unitholders at least 60 days before the effective date of the change. In accordance with applicable securities law, and with the approval of the IRC, effective on September 1, 2023, the auditor of the Funds was changed from Ernst & Young LLP to Deloitte LLP.

### ***Administrator, Registrar and Valuation Agent***

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

The administrator and valuation agent provides administrative services to the Funds, including maintaining the accounting records of the Funds, fund valuation and net asset value calculation and financial reporting services. The registrar keeps track of the owners of Units of the Funds, processes purchases, switches, redesignation and redemption orders, maintains the Unit register, issues investor account statements and trade confirmations and issues annual tax reporting information. The Manager continues to be responsible for the services provided by the administrator and valuation agent.

### ***Securities Lending Agent***

CIBC World Markets Inc. of Toronto, Ontario is the securities lending agent of Next Edge Biotech and Life Sciences Opportunities Fund and the Next Edge Strategic Metals and Commodities Fund pursuant to a securities lending authorization agreement dated January 5, 2015, and as amended from time to time, between Next Edge, in its capacity as manager of such Funds and CIBC World Markets Inc. (the “**Securities Lending Agreement**”).

In accordance with the Securities Lending Agreement, the agent will determine the market value of both the securities loaned by the applicable Fund under a securities lending transaction or sold by the Fund under a repurchase transaction and the cash or collateral held by the fund for such transactions. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or collateral to the Fund to make up the shortfall. Pursuant to the terms of the Securities Lending Agreement, the agent will indemnify and hold harmless Next Edge, on behalf of a Fund, from all losses, damages, liabilities, costs or expenses (including reasonable counsel fees and expenses but excluding consequential damages) suffered by Next Edge or the Fund arising from (a) the failure of the agent to perform any obligations under the Securities Lending Agreement or (b) any inaccuracy of any representation or warranty made by the agent in the Securities Lending Agreement. A party may terminate the Securities Lending Authorization Agreement by giving the other parties 30 days’ written notice. The agent is not an affiliate or an associate of Next Edge.

### ***Cash Lender – Alternative Funds***

CIBC World Markets Inc. of Toronto, Ontario is the prime broker of Next Edge Biotech and Life Sciences Opportunities Fund and the Next Edge Strategic Metals and Commodities Fund pursuant to a prime brokerage agreement dated January 5, 2015, and as amended from time to time, between Next Edge, in its capacity as manager of such Funds and CIBC World Markets Inc.

CIBC World Markets Inc. is not an affiliate or associate of Next Edge.

### ***Independent Review Committee and Fund Governance***

#### ***General***

Fund governance refers to the policies, practices and guidelines of the Funds that relate to, among other items:

- business practices
- sales practices
- conflicts of interest

The Manager has adopted appropriate policies, procedures and guidelines to ensure the proper management of the Funds. These include guidelines and policies and procedures required by NI 81- 107 relating to conflicts of interest, including policies on personal conflicts of interest, prohibited related party transactions, best execution practices, soft dollar arrangements, brokerage arrangements, trade allocation practices, cross trading, record keeping and personal investing. In addition, the Manager has adopted sales, marketing, advertising and accounting policies relating to the Funds. The controls in place monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements. The reporting systems in place ensure that these policies and guidelines are communicated to the persons responsible for these matters and monitor their effectiveness.

#### *Manager, Trustee and Portfolio Manager*

Next Edge is the manager, trustee and portfolio manager of the Funds. As such, it exercises its powers and discharge its duties honestly, in good faith and in the best interests of the Funds and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable person would exercise in the circumstances.

The duties of Next Edge as trustee and manager are set out in the Declaration of Trust. Among its other responsibilities, Next Edge is responsible for arranging for investment management services and the offering of Units and monitoring the ongoing compliance of the Funds with tax and securities legislation.

The board of directors of the Manager is responsible for the compliance by the Manager with the terms of the Declaration of Trust and the requirements of relevant legislation applicable to investment management and the offering of Units.

The board of directors of the Manager has also established policies and procedures designed to recognize the Manager's obligation to act in the best interest of the Funds and Unitholders and to place their interests ahead of its own. These policies include such topics as a code of ethics and conduct, personal and insider trading codes, privacy codes and conflict of interest policies addressing allocation of investments, allocation of costs, inter-fund trades, trades in related issuers, best-execution/soft dollars, correction of NAV errors and trades in underwritten securities by dealer-managed mutual funds. The board of directors of the Manager receives reports regarding compliance with such policies and procedures at least annually, including the consequences for employees resulting from non-compliance and revises the policies and procedures from time to time as appropriate.

Each officer and employee of the Manager is required to certify annually that such person has read the Manager's compliance manual which is designed to provide its officers and employees with an awareness of the requirements of the law governing the Funds, the offering of Units, and advisors, dealers and other market participants providing services to the Funds and to provide a procedural means to ensure the Manager's operations meet these requirements. These procedures establish an appropriate system of internal controls and include designation of employees responsible for meeting the various aspects of the Funds' and the Manager's regulatory requirements, including reporting and filing obligations.

The Manager markets the Funds and other investment funds sponsored by the Manager to dealers. In doing so, the Manager requires employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by compliance officers and where appropriate outside legal advisors. The review is designed to ensure that full and fair disclosure of the material facts are made to potential investors.

The Manager has adopted written policies and practice guidelines applicable to the Funds to manage the risks associated with the use of derivative instruments and short selling. Such policies and practice guidelines require that:

- The use of derivative instruments and short selling be consistent with the Funds' investment objective and policies.
- The risks associated with the use of derivatives and short selling be adequately described in the "*Derivatives Risk*" section and other public disclosure documents.
- Authorized persons of the Manager approve the parameters, including trading limits, under which derivatives trading and short selling is to be permitted for the Funds and that such parameters comply with applicable securities legislation.
- The operational, monitoring and reporting procedures in place ensure that all derivatives transactions and short selling are completely and accurately recorded, in accordance with their approved use, and within the limits and regulatory restrictions prescribed for the Funds.

These policies and practice guidelines are reviewed as necessary by a Senior Officers' Committee at the Manager. In addition, the Manager's Compliance Department has oversight over all use of derivative instruments by the Funds which may from time to time report to the Board of Directors as deemed appropriate.

As well, Next Edge tests the Funds to ensure that there is an adequate cash cover in the underlying interest. Next Edge also monitors the Funds' gain and loss position on a weekly basis. Next Edge does not, however, test the Funds under stress conditions as we limit the maximum loss to 10% of the Funds' NAV for non-hedging transactions.

#### *Independent Review Committee*

National Instrument 81-107 *Independent Review Committee for Investment Funds* ("NI 81-107") requires all publicly offered investment funds 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 of public funds 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 independent review committee in carrying out its functions.

Certain reorganizations of a Fund or transfers by a Fund of its assets to another issuer will not require the approval of Unitholders provided certain factors are met. Such factors include, obtaining the approval of the IRC, as well as delivering a written notice to Unitholders describing such activities at least 60 days before the effective date of the reorganization or transfer. In addition, as noted above, the auditor of the Funds may not be changed unless the IRC has approved the change in accordance with NI 81-107, and a written notice describing the change is sent to Unitholders at least 60 days before the effective date of the change.

The IRC is required to be comprised of a minimum of three independent members and, pursuant to NI 81-107, is required to conduct regular assessments and provide reports to the Manager and the Funds' Unitholders in respect of its functions. The current members of the IRC are Eamonn McConnell, Anthony Cox and Geoff Salmon. Mr. McConnell serves as the Chair of the IRC. These individuals also serve on the

independent review committee of the other investment funds managed by Next Edge (together with the Funds, the “**Next Edge Funds**”).

The IRC conducts regular assessments and prepares, at least annually, a report of its activities for Unitholders of the Funds and makes such reports available on the Fund’s designated website at [www.nextedgecapital.com](http://www.nextedgecapital.com). The report may also be obtained by Unitholders, upon request and at no cost, by contacting the manager at 1-877-860-1080 or by email at [info@nextedgecapital.com](mailto:info@nextedgecapital.com).

#### *Conflicts of Interest*

The services of the Manager and its affiliates are not exclusive to the Funds and nothing in the Declaration of Trust prevents the Manager or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies or criteria are similar to those of the Funds) or from engaging in other activities.

The Declaration of Trust acknowledges that the Manager may provide services to the Funds in other capacities, provided that the terms of any such arrangements are no less favourable to the Funds than those which would be obtained from arm’s length parties for comparable services.

Securities held indirectly by the Funds may also be held by other funds or clients for which the Manager or its affiliates provide investment advice. Because of different investment objectives or other factors, a particular security may be bought for one or more funds or clients when one or more other funds or clients are selling the same security. If opportunities for purchase or sale of securities by the Manager for the Funds or for other funds or clients for which the Manager renders investment advice arise for consideration at or about the same time, transactions in such securities will be effected, insofar as feasible, for the respective funds or clients on an equitable basis, in accordance with the Manager’s trade allocation policy in effect from time to time.

#### *Policies and Practices*

##### Use of Derivatives by the Funds

Derivative transactions by Next Edge on behalf of the Funds may be initiated, in accordance with written policies and procedures of Next Edge, only by authorized investment personnel approved by senior management who ensure that these individuals have the necessary proficiency and experience to use derivatives. As in the case of other portfolio transactions, all derivative transactions must be recorded on a timely basis and promptly reflected in the Funds’ portfolio management records. Derivative positions are monitored daily to ensure compliance with all regulatory requirements, including cash cover requirements.

As noted, Next Edge is responsible for managing the risks associated with the use of derivatives. Next Edge has written guidelines that set out the objectives and goals for derivatives trading, which are established and reviewed annually by Next Edge. In addition, Next Edge has written control policies and procedures in place that set out the risk management procedures applicable to derivatives trading. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies ensuring that these functions are performed by individuals independent of those who trade.

Limits and controls on derivatives trading are part of Next Edge’s compliance regime. All derivatives transactions are reviewed by trained personnel that ensures that the derivative positions of the Funds are within the existing control policies and procedures. The risk management procedures also cover the testing of a Fund’s portfolio under stress conditions.

The risks of using these strategies are described under “*Derivatives Risk*”.

#### Short Selling

The Funds may, from time to time, engage in short selling in a manner consistent with their investment objectives and as permitted by applicable securities legislation. Where a Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. With respect to the Alternative Funds, the aggregate market value of all securities of the issuer of the securities sold short by the Fund cannot exceed 10% of the total net assets of the Fund and the total market value of all securities sold short cannot exceed 50% of the total net assets of the Fund.

Next Edge and the custodian have in place policies and procedures relating to short selling by the Funds. Any agreements, policies and procedures that are applicable to a Fund relating to short selling (including trading limits and controls in addition to those specified above) will be prepared and reviewed by the manager. The decision to effect any particular short sale will be made by a Portfolio Manager and reviewed and monitored as part of the Manager’s ongoing compliance procedures and risk control measures. The risk management procedures also cover the testing of a Fund’s portfolio under stress conditions.

The risks of using these strategies are described under “*Short Selling Risk*”.

#### Securities lending, repurchase or reverse repurchase transactions

A Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. Of note, in accordance with NI 81-102, the collateral held by a Fund must be equal to at least 102% of the market value of the security sold, loaned or cash paid. The collateral is also adjusted on each business day to ensure this value is maintained. If on any day the market value of the collateral posted by a borrower is less than the percentage of the market value of the relevant borrowed securities required by NI 81-102, at a minimum, the securities lending agent is required to request that the borrower provide additional collateral to the Fund to make up the shortfall. See “*Securities Lending Agent*” for details on the Funds’ Security Lending Agreement.

Additional details on how the Funds engage in securities lending can be found under “*What does the Fund invest in?*” and the risks of using these strategies are described under “*Repurchase and reverse repurchase transactions and securities lending risk*”.

#### Leverage – Alternative Funds Only

The Alternative Funds may use leverage through the use of cash borrowings, short sales and derivatives. If used, the aggregate amount of cash borrowing and the market value of the securities sold short will not exceed 50% of an Alternative Fund’s net asset value, and the aggregate amount of cash borrowing, the market value of the securities sold short and the notional amount of derivatives used for non-hedging purposes will not exceed 300% of an Alternative Fund’s net asset value.

#### Proxy Voting Guidelines

The Manager is responsible for all securities voting in respect of securities held by the Funds and exercising responsibility with the best economic interests of the Funds and the Unitholders. The Manager has established proxy voting policies, procedures and guidelines (the “**Proxy Voting Policy**”) for securities

held by the Funds to which voting rights are attached. The Proxy Voting Policy is intended to provide for the exercise of such voting rights in accordance with the best interests of the Funds and the Unitholders.

The Proxy Voting Policy sets out the guidelines and procedures that the Manager will follow to determine whether and how to vote on any matter for which the Funds receives proxy materials. Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans, and to amend the capitalization of the company.

Although the Proxy Voting Policy allows for the creation of a standing policy for voting on certain routine matters, other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

The Funds may limit its voting on foreign holdings in instances where the issues presented are unlikely to have a material impact on shareholder value, since the costs of voting (e.g., custodian fees, vote agency fees) in foreign markets may be substantially higher than for Canadian holdings.

If the potential for conflict of interest arises in connection with proxy voting and if deemed advisable to maintain impartiality, the Proxy Voting Policy provides that the Manager may choose to seek out and follow the voting recommendation of an independent proxy search and voting service.

The Proxy Voting Policy is available on request, at no cost, by calling the Manager at 416-775-3600 or toll-free at 1-877-860-1080 or emailing the Manager at [info@nextedgecapital.com](mailto:info@nextedgecapital.com).

The Funds' proxy voting records for the annual period from July 1<sup>st</sup> to June 30<sup>th</sup> will be available free of charge to any investor of the Funds upon request at any time after August 31<sup>st</sup> following the end of that annual period. The Funds' proxy voting records will also be available on the website of the Manager at [www.nextedgecapital.com](http://www.nextedgecapital.com).

### ***Remuneration of Directors and Officers***

During the year ended December 31, 2022, the most recent financial year-end of the Funds, no salaries or other compensations or reimbursements were paid (or are payable) by the Funds to the directors or officers of the Manager, nor to any independent boards except the IRC. The initial compensation and reimbursement policy for costs and expenses of the IRC was established by the manager. As at the date hereof, the Chair of the IRC currently receives an annual retainer of \$12,000 and the other IRC members an annual retainer of \$9,000, plus reimbursement of expenses, and all such fees and expenses of the IRC will be paid by the Next Edge Funds pro rata based on the amount of time spent on each Next Edge Fund's business.

### ***Material Contracts***

The following are the material contracts of the Funds:

- Declaration of Trust
- Custodian Agreement
- Delbrook Investment Sub Advisory Agreement (in respect of Next Edge Strategic Metals and Commodities Fund)

- Veritas Sub Advisory Agreement (in respect of Veritas Next Edge Premium Yield Fund)

Copies of the material contracts may be inspected by prospective or existing Unitholders during regular business hours at the offices of Next Edge and are available on Next Edge's website at [www.nextedgecapital.com](http://www.nextedgecapital.com) or at [www.sedarplus.ca](http://www.sedarplus.ca).

### ***Designated Website***

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund this document pertains to can be found at [www.nextedgecapital.com](http://www.nextedgecapital.com).

### **VALUATION FOR PORTFOLIO SECURITIES**

For the purposes of calculating the NAV of the Funds, the value of any security or property held by a Fund or any of its liabilities will be determined in the following way:

- the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, will 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 will be deemed to be such value as the valuation agent determines to be the reasonable value thereof;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices at such times as the valuation agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- the value of a security listed on a stock exchange will generally be the latest available closing sale price prior to the calculation of the net asset value. If the security was not sold on that day, the valuation agent will average the latest available ask price and the latest available bid price to determine the value of the security. If the stock exchange was not open on that day, then the value of the security will be the latest available sale price on the most recent day on which the stock exchange was open. A security listed on more than one stock exchange will generally be valued on the exchange where the greatest trading volume normally occurs;
- the value of any security which is traded on an over-the-counter market will be the average of the closing bid and the closing ask price, as reported by the financial press;
- the value of any security, the resale of which is restricted or limited, will be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the applicable Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants will be valued at the current market value thereof;
- the value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at the valuation time, 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;

- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- if, in the opinion of the valuation agent, stock exchange or over-the-counter prices do not properly reflect the prices which would be received upon the sale of such securities, the Trustee may value the securities at prices as appear to the Trustee to most closely reflect the fair value of the securities;
- all of the Funds' assets valued in a foreign currency and all liabilities and obligations of the Funds payable by the Funds in foreign currency will be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the valuation agent;
- all expenses or liabilities (including any applicable fees payable to the Trustee) of the Funds will be calculated on an accrual basis;
- the value of any security or other property for which no price quotations are available will be its fair market value as calculated in a manner determined by the Trustee or valuation agent of the Funds; and
- where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the applicable Fund shall be reflected as a derivative liability that shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of the Funds. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their current market value.

If the value of an investment cannot be determined according to these rules, value will be determined according to what is deemed fair and reasonable by Next Edge.

For the purposes of the foregoing rules, quotations may be obtained from any report in common use, or from a reputable broker or other financial institution, provided that RBC Investor Services Trust, shall retain the discretion to use such information and methods as it considers necessary or desirable for valuing the assets of the Funds, including the use of a formula computation.

## **CALCULATION OF NET ASSET VALUE**

The purchase and redemption price of Units of a Fund is based on the NAV per Class of the Units of the Fund next calculated after the Manager receives your purchase or redemption order. The NAV per Class of a Unit of a Fund is calculated as at the close of trading on each day the Toronto Stock Exchange ("TSX") is open for trading, which is usually 4:00 p.m. (Toronto time) but in some circumstances, may be another time (the "**Closing Time**"). Any purchase or redemption orders received by or on behalf of the Manager before or at the Closing Time on a business day are priced based on the relevant NAV calculated on that day. Orders received after Closing Time are priced based on the NAV on the next business day. Your dealer may establish earlier cut-off times.

Separate NAVs per Unit are calculated in Canadian dollars for each Class of Units of a Fund.

The Class NAV per Unit of a Fund is calculated on each business day by dividing: (1) the amount equal to the value of that Class' proportionate share of assets of the Fund, less that Class' proportionate share of the common expenses of the Fund and less that Class' specific expenses by; (2) the total number of Units of that Class of the Fund outstanding at such time.

Upon calculating the NAV per Class of a Unit of the Funds, we will make it available, at no cost, to investors. Investors may obtain the NAV per Class of a Unit of the Funds by calling us toll free at 1-877-860-1080 or by emailing us at [info@nextedgecapital.com](mailto:info@nextedgecapital.com).

## **PURCHASES, SWITCHES AND REDEMPTIONS**

### ***How We Price the Funds' Units***

The Funds' net asset values are calculated at the close of regular trading on each day the Toronto Stock Exchange is open for trading (a "**Valuation Day**"), normally 4:00 p.m. (Eastern Time), but in some circumstances may be another time (the "**Closing Time**") as the Manager may in its sole discretion determine.

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

A Fund's Units are divided into Class A Units, Class A1 Units, Class F Units, Class F1 Units and Class I Units, as applicable. Each Class is divided into Units of equal value. When you invest in a Fund, you are purchasing Units of a specific Class of the Fund.

A separate net asset value per Unit is calculated for each Class of Units (the "**Unit Price**"). The Unit Price is the price used for all purchases, switches, 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 a Fund:

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

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

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

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

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

### ***Purchases***

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

The minimum initial investment in Class A Units, Class A1 Units, Class F Units and Class F1 Units of a Fund (with the exception of the Veritas Next Edge Premium Yield Fund) is \$5,000. The minimum initial investment in the Class I Units is \$1,000,000 or such other amount as determined at the discretion of the Manager. The minimum subsequent investment in the Class A Units, Class A1, Class F Units, Class F1 Units and Class I Units (with the exception of the Veritas Next Edge Premium Yield Fund) of a Fund is \$1,000. The minimum initial investment and minimum subsequent investment in Class A Units and Class F Units of the Veritas Next Edge Premium Yield Fund is \$100. 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 second 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 second 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 a 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 a 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 a 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, a Fund may suspend new subscriptions of Units.

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

### ***Capping of the Funds or a Class***

We reserve the right, from time to time, to “cap” or “close” the Funds or any Class of a Fund if it is determined to be in the best interest of the Funds or Class of a Fund and the Unitholders. If we do “cap” or “close” the Funds or a Class of a Fund, it may be re-opened for investment at our sole discretion. Any

“capping” or “closing” of the Funds or any Class of a Fund, will not impact redemption rights of Unitholders. As noted, Class A1 Units and Class F1 Units of Next Edge Biotech and Life Sciences Opportunities Fund (which were formerly named Class A Units and Class F Units, respectively) are each currently closed to new purchases.

### ***Redemptions***

Unitholders of a Fund are entitled to redeem securities in the Fund and to receive an amount for each Unit redeemed equal to the applicable NAV per Unit. Under exceptional circumstances, the Manager may suspend the right for redemption and postpone the date of payment of redemptions for any period provided that the suspension complies with applicable securities regulatory policies.

The redemption of Units is a disposition for tax purposes and may result in a capital gain or capital loss, which may result in a tax liability for Units that are not held in a Registered Plan.

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

The latest we will send you your money will be ten business days after the Valuation Day used to process your sell order. Required documentation may include a written order to sell with your signature, guaranteed by an acceptable guarantor. If you redeem through your Dealer, they will advise you what documents they require. Any interest earned on the proceeds of an order to redeem before you receive the money will be credited to the applicable 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 for Units of a Fund. 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 applicable 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.

The Funds 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 Funds, except as described under “*Short-Term Trading Fee*”.

### ***Switches and Redesignations***

You can switch your investment between the Classes within a Fund or to another Next Edge fund through your dealer. With respect to Class A Units, you may be charged a switch fee of up to 3.00% of the value of the Units switched. If you switch from one Fund to another Fund or to another Next Edge fund there will be a redemption of the Units of the Fund you own and a purchase of Units of the new Fund or fund. Such redemption will be a taxable transaction to you. You may also redesignate all or part of your investment from one Class of Units to another Class of Units of the same Fund. This is called a redesignation. Redesignating Units from one Class to another Class of the same Fund is generally not a disposition for tax purposes. Please see “*Income Tax Considerations for Unitholders*” for details. You may only switch or

redesignate your Units if you satisfy criteria required to hold the securities into which you are switching or redesignating.

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

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

The value of your investment, less any fees, will be the same immediately after the switch or redesignation. You may, however, own a different number of Units because each Class may have a different Unit Price. Redesignating Units from one Class to another Class of the same fund is generally not a disposition for tax purposes.

### ***Short-Term Trading***

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

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

In order to protect the interest of the majority of Unitholders in the Funds and to discourage inappropriate short-term trading in the Funds, investors may be subject to a short-term trading fee. If an investor redeems Units of a Fund within 60 days of purchasing such Units, the Fund may deduct and retain, for the benefit of the remaining Unitholders in the Fund, two percent (2%) of the net asset value of the Units of the particular Class of the Fund being redeemed. In addition, the Manager may reject future purchase orders.

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

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

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

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

- *bona fide* changes in investor circumstances or intentions;
- unanticipated financial emergencies;

- the nature of the Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Fund or to us.

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

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

## OPTIONAL SERVICES

### *Pledges*

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

### *Registered Plans*

You can open certain Registered Plans through your Dealer. The following plans are eligible to invest in the Funds (collectively referred to as “**Registered Plans**”):

- registered retirement savings plans (“**RRSPs**”), including
  - locked-in retirement accounts (“**LIRAs**”),
  - locked-in retirement savings plans (“**LRSPs**”),
  - restricted locked-in savings plans (“**RLSPs**”),
- registered retirement income Fund (“**RRIFs**”), including
  - life income Fund (“**LIFs**”),
  - locked-in retirement income Fund (“**LRIFs**”),

- prescribed retirement income Fund (“**PRIFs**”),
- restricted life income Fund (“**RLIFs**”),
- tax-free savings accounts (“**TFSAs**”),
- first home savings accounts (“**FHSAs**”),
- registered education savings plans (“**RESPs**”), and
- deferred profit-sharing plans (“**DPSPs**”).

We do not permit Units of the Funds to be held within registered disability savings plans (“**RDSPs**”).

## **FEES AND EXPENSES**

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

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

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

- (a) no Unitholder approval will be required if the applicable Fund is at arm’s length to the person or company charging the fee or expense to the Fund and if written notice is sent to all Unitholders at least 60 days before the effective date of the change that could result in an increase in charges to the Fund; and
- (b) no Unitholder approval will be required for Units that are purchased on a no load basis, if written notice is sent to all Unitholders of such Units at least 60 days before the effective date of the change that could result in an increase in charges to the applicable Fund.

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

| <i><b>Fees and Expenses Payable by the Funds</b></i>                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                              |                                                                                                                                            |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management Fee and Service Fees to Registered Dealers</b>         | The Manager receives a management fee payable by each Fund for providing its services to the Funds (as such services are described below).                                                                                                                                                                                                                                                                                                                                |                                                                              |                                                                                                                                            |
|                                                                      | The management fee varies for each Class of Units. The management fee for a Fund is calculated daily in arrears based on a percentage of the net asset value of the Class of Units of the Fund at the annual rates set out below, plus applicable taxes, and is payable on the last business day of each month.                                                                                                                                                           |                                                                              |                                                                                                                                            |
|                                                                      | The Manager pays a service or trailer fee (the “ <b>Service Fee</b> ”) 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 daily 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 the management fees, and is not reimbursed for these payments. |                                                                              |                                                                                                                                            |
|                                                                      | As shown below, the annual management fees vary by Class. You should make a specific request through your Dealer to purchase any applicable lower-fee class you may be eligible to purchase, or to switch or redesignate your existing Units to any applicable lower-fee class you may be eligible to purchase.                                                                                                                                                           |                                                                              |                                                                                                                                            |
|                                                                      | <i><b>Class of Units</b></i>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <i><b>FundSERV Code</b></i>                                                  | <i><b>Management Fee as percentage of NAV of Units per annum</b></i><br><i><b>Service Fees as percentage of NAV of Units per annum</b></i> |
| <i><b>Next Edge Biotech and Life Sciences Opportunities Fund</b></i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                              |                                                                                                                                            |
| Class A Units                                                        | NEC 226                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.50%                                                                        | 1.00%                                                                                                                                      |
| Class A1 Units                                                       | NEC 216                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.00%                                                                        | 1.00%                                                                                                                                      |
| Class F Units                                                        | NEC 227                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0.50%                                                                        | Nil                                                                                                                                        |
| Class F1 Units                                                       | NEC 217                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Nil                                                                          | Nil                                                                                                                                        |
| <i><b>Next Edge Strategic Metals and Commodities Fund</b></i>        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                              |                                                                                                                                            |
| Class A Units                                                        | NEC 220                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2.00%                                                                        | 1.00%                                                                                                                                      |
| Class F Units                                                        | NEC 219                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.00%                                                                        | Nil                                                                                                                                        |
| Class I Units                                                        | NEC 218                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | A negotiated management fee directly to Next Edge (up to a maximum of 1.00%) | Nil                                                                                                                                        |
| <i><b>Veritas Next Edge Premium Yield Fund</b></i>                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                              |                                                                                                                                            |
| Class A Units                                                        | NEC 230                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1.80%                                                                        | 1.00%                                                                                                                                      |
| Class F Units                                                        | NEC 231                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0.80%                                                                        | Nil                                                                                                                                        |

| <i><b>Fees and Expenses Payable by the Funds</b></i> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |         |                                                                              |     |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------------------------------------------------------------------|-----|
|                                                      | Class I Units                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | NEC 232 | A negotiated management fee directly to Next Edge (up to a maximum of 0.80%) | Nil |
|                                                      | <p>No Service Fees are payable in respect of the Class F Units, Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) and Class I Units of a Fund. Service Fees may be modified or discontinued by the Manager at any time.</p> <p>In consideration of the management fees, Next Edge will provide investment management, clerical, administrative and operational services to the Funds, including: determining and implementing investment policies, practices, fundamental objectives, and investment strategies applicable to the Funds; receiving and processing all subscriptions and redemptions; ensuring the Funds comply with regulatory requirements and filings; offering Units of the Funds 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 Funds; banking; establishing the Funds' operating expense budget and authorizing payment of expenses; authorizing contractual arrangements; recordkeeping; and allocating between each Class of the Funds the net asset value of the Funds, any distribution of the Funds, the net assets of the Funds, the Funds' property, any liabilities of the Funds, 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> |         |                                                                              |     |
| <b>Management Fee Distributions</b>                  | <p>In order to encourage very large investments in a 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 applicable Fund or the Manager, as applicable (called a "<b>Management Fee Distribution</b>"). In this way, the cost of Management Fee Distributions is effectively borne by the Manager, not the Funds or the Unitholder, as the Funds 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 Funds and thereafter out of capital. All Management Fee Distributions are automatically reinvested in additional Units of the relevant Class of the applicable Fund. The payment of Management Fee Distributions by the Funds or the Manager, as applicable, to a Unitholder in respect of a large investment is fully negotiable between the Manager, as agent for the Funds, and the Unitholder's financial advisor and/or dealer, and is primarily based on the size of the investment in the applicable Fund. The Manager will confirm in writing to the Unitholder's</p>            |         |                                                                              |     |

| <b><i>Fees and Expenses Payable by the Funds</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      | financial advisor and/or dealer the details of any Management Fee Distribution arrangement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Performance Fees</b>                              | <p><i>Next Edge Biotech and Life Sciences Opportunities Fund</i></p> <p>Next Edge Biotech and Life Sciences Opportunities Fund will pay to the Manager, in respect of each fiscal quarter of the Fund, a performance fee equal to 20% of the gain in the NAV per Unit of a Class of Units of the Fund, accrued for on a daily basis, over the preceding fiscal quarter or quarters since a performance fee was last payable, provided that the NAV per Unit of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter in which a performance fee was paid.</p> <p><i>Next Edge Strategic Metals and Commodities Fund</i></p> <p>Next Edge Strategic Metals and Commodities Fund will pay to the Manager in respect of each fiscal quarter of the Fund a performance fee equal to 20% of the gain in the NAV per Unit of a Class of Units of the Fund, accrued for on a daily basis, over the preceding fiscal quarter or quarters since a performance fee was last payable, provided that the NAV per Unit of the Fund (including distributions) is greater than all previous values at the end of each previous fiscal quarter in which a performance fee was paid and provided that the annualized year to date percentage gain in the NAV per Unit of the Fund exceeds an annual hurdle rate of 6%.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Operating Expenses</b>                            | <p>Each 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 Funds will include, without limitation, preparing, mailing and printing expenses for renewal Simplified Prospectuses, periodic reports to Unitholders and other Unitholder communications including marketing and advertising expenses; fees payable to the Registrar, Administrator and Valuation Agent and the independent pricing service for performing certain valuation services; fees payable to any custodian of the assets of the Funds; 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 Funds; any additional fees payable to the Manager for performance of extraordinary services on behalf of the Funds; any taxes payable by the Funds or to which the Funds are subject, interest expenses, expenses relating to portfolio transactions and any expenditures that may be incurred upon the termination of the Funds. 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 Funds. The Funds 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</p> |

| <b><i>Fees and Expenses Payable by the Funds</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                      | <p>for such purpose. The Funds will also be responsible for any extraordinary expenses which it may incur from time to time.</p> <p>A Fund pay for all expenses incurred in connection with its operation and administration, which expenses will be allocated <i>pro rata</i> to each Class of its 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 a 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 a 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 expenses of the Funds. The Manager or its affiliates may pay for certain operating expenses of the Funds in order to maintain a Fund's annual operating expenses within any such established limit.</p> <p>Each Class of Units of a Fund 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 a Fund's operating expenses.</p> <p>The Funds also pay 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 and as described above.</p> <p>Management expense ratios ("MERs") are calculated separately for each Class of Units of a Fund and includes Class management fees, performance fees (as applicable), and/or operating expenses.</p> <p>The Funds also pay their own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in a 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 a Fund's trading expense ratio ("TER"). Both the MER and the TER are disclosed in a Fund's annual and semi-annual Management Report of Fund Performance.</p> |

| <b><i>Fees and Expenses Payable Directly by You</i></b> |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Negotiated Fee</b>                                   | <p>Holders of Class I Units pay a negotiated management fee directly to Next Edge. The negotiated management fee may vary for a Fund and each investor in a Fund. See the "<i>Fees and Expenses</i>" in the Fund details table for each Fund of this Simplified Prospectus for information on the maximum percentage of the negotiated management fee which you will be required to pay as an investor in Class I Units of a Fund.</p> |

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sales Commissions</b>            | Your Dealer may charge you a sales commission of up to 3% based on the net asset value of the applicable Class of Units of a Fund you acquire when you buy Class A Units and Class A1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund). You may negotiate the amount with your Dealer. There are no sales commissions for Class F and Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) and Class I Units of a Fund. Sales commissions may be modified or discontinued by the Manager at any time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Switch or Redesignation Fees</b> | Your Dealer may charge you a switch or redesignation fee, as applicable, of up to 3% based on the net asset value of the applicable Class of Units of a Fund you switch or redesignate. You may negotiate the amount with your Dealer. Dealers' fees for switches or redesignations are paid by redeeming Units held by you.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Redemption Fees</b>              | The Funds do not charge a redemption fee. However, a Fund may charge a short-term trading fee if you redeem your Units within 60 days of buying them. Please see " <i>Short-Term Trading Fee</i> " section of this Simplified Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Short-Term Trading Fee</b>       | <p>A fee of 2% of the amount redeemed may be charged if you redeem Units of a Fund within 60 days of purchasing such Units and/or your trading is part of a pattern of short-term trading that we believe is detrimental to such Fund's investors. For a description of Next Edge's policy on short-term trading please see the disclosure under the subheading "<i>Short-Term Trading</i>" under the heading "<i>Purchases, Switches and Redemptions</i>".</p> <p>The short-term trading fees charged will be paid directly to the Funds, and are 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"> <li>• redemptions of Units by another Next Edge Fund;</li> <li>• redemptions of Units purchased by the reinvestment of distributions;</li> <li>• redesignation of Units from one Class to another Class of the same Fund;</li> <li>• redemptions initiated by Next Edge or where redemption notice requirements have been established by Next Edge; or</li> <li>• in the absolute discretion of Next Edge.</li> </ul> |
| <b>Registered Tax Plan Fees</b>     | Your Dealer may charge you a fee for this service. You may negotiate the amount with your Dealer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## DEALER COMPENSATION

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

**Sales Commissions** – You pay this commission to your Dealer at the time of purchase of Class A Units and Class A1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) of a Fund. The maximum sales commission you may pay is 3% based on the net asset value of the applicable Class of Units of the Fund you acquire. You may negotiate this amount with your Dealer. There are no sales commissions payable to your Dealer for Class F Units, Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) and Class I Units (in respect of Next Edge Strategic Metals and Commodities Fund and Veritas Next Edge Premium Yield Fund) of the Funds. Please see “*Purchases, Switches and Redemptions*” section of this Simplified Prospectus for further details.

**Trailing Commissions** – From its annual management fee, for Class A Units and Class A1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) of a Fund, we pay dealers an ongoing annual Service Fee known as a “trailing commission”, based on the total value of Class A Units and Class A1 Units Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) of such Fund held in your account with the dealer. There are no trailing commissions paid on Class F Units, Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) and Class I Units (in respect of Next Edge Strategic Metals and Commodities Fund and Veritas Next Edge Premium Yield Fund) of the Funds. The trailing commissions are paid quarterly at a current annual rate of up to 1.00% of the value of the Class A Units and Class A1 Units Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) held by clients of the dealer. Trailing commissions may be modified or discontinued by the Manager at any time.

**Switch/Redesignation Fees** – You may pay the switch or redesignation fee, as applicable, to your Dealer at the time of switching Units to another Fund (or another fund managed by Next Edge) or redesignating from one Class of Units to another Class of Units in the same Fund. The maximum switch/redesignation fee you may pay is 3% based on the net asset value of the applicable Class of Units of the Fund being switched/redesignated. You may negotiate this amount with your Dealer. Dealers’ fees for switches/redesignations are paid by redeeming Units held by you.

#### ***Other Kinds of Dealer Compensation***

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

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

#### **INCOME TAX CONSIDERATIONS**

This section summarizes the principal Canadian federal income tax considerations, as of the date hereof, that apply to the Funds and to individual investors who are or who are deemed to be residents of Canada and who hold Units of the Funds as capital property for tax purposes.

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 *Income Tax Act* (Canada) (the “**Tax Act**”). Unitholders should consult their own tax advisors in this regard.

This summary is based on the facts set out in this prospectus, the current provisions of the Tax Act and the regulations promulgated thereunder as of the date hereof, 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 publicly available published administrative policies and assessing practices of the Canada Revenue Agency (“**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, as an example, 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 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.**

Each Fund currently qualifies as a mutual fund trust under the Tax Act. In order to continue to qualify as a mutual fund trust, among other requirements, a Fund must have at least 150 Unitholders of a particular Class of Units each of whom holds a minimum number and value of Units. If a Fund were not 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 for the Fund and its Unitholders.

In this summary, the term “Registered Plan” means a trust governed by RRSP, RRIF, RESP, DPSP, RDSP, FHSA, or TFSA, each as defined in the Tax Act.

### ***Income Tax Considerations for the Funds***

A Fund will not be liable for income tax under Part I of the Tax Act in respect of its net income or net capital gains for a taxation year to the extent that such net income and net capital gains are paid or made payable to its Unitholders in the year. However, a Fund that is a “mutual fund trust” for purposes of the Tax Act throughout a taxation year, will be denied a deduction that it otherwise would have been entitled to, in respect of amounts allocated (the “allocated amount”) to Unitholders whose Units are redeemed by such Fund if certain conditions are met. The deduction will be denied in respect of a portion of the allocated amount if such portion is not included in the Unitholder’s proceeds of disposition of the Unit on the redemption, to the extent (i) such portion is paid out of the ordinary income of the Fund, and/or (ii) such portion is a capital gain, to the extent that it is greater than the capital gain that would otherwise have been realized by the Unitholder on the redemption. The Manager intends to administer the redemption of Units

in such a manner so as to avoid the inclusion of any income to the Funds under these rules, unless it is otherwise precluded from doing so.

Provided that a Fund is a mutual fund trust throughout a taxation year, the Fund may be entitled to retain (i.e., not distribute) certain capital gains without being subject to tax thereon.

In computing its income, a Fund may deduct reasonable administrative and other expenses incurred by it to earn income and such other expenses as permitted by the Tax Act. Losses incurred by the Funds cannot be allocated to Unitholders but may be carried forward and deducted by the Funds in future years.

The Funds are required to calculate their net income and net realized capital gains in Canadian dollars for purposes of the Tax Act, and may, as a consequence, realize income or capital gains from changes in the value of the U.S. dollar or other relevant currencies relative to the Canadian dollar.

Gains and losses realized on futures, forward contracts, options and other derivatives will generally be treated by the Funds as ordinary income and loss for tax purposes.

The Tax Act contains “loss restriction event” (“LRE”) rules that could apply to the Funds. In general, a LRE occurs to a Fund if a person (or group of persons) acquires Units of the particular Fund worth more than 50% of the fair market value of all the Units of the Fund. If a LRE occurs: (i) the Fund will be deemed to have a year-end for tax purposes; (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund; and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, a Fund will be exempt from the application of the LRE rules in most circumstances if the Fund is an “investment fund” which, among other things, requires the Fund to satisfy certain investment diversification rules.

Unless a Fund is a mutual fund trust (or based on a Tax Proposal, an “investment fund”) under the Tax Act throughout a taxation year, the Fund may in certain circumstances be subject to alternative minimum tax for such year even though its net income and net realized capital gains are paid or payable to its Unitholders.

Unless a Fund is a mutual fund trust under the Tax Act throughout a taxation year, the Fund will be liable to a special tax under Part XII.2 of the Tax Act if its Unitholders include “designated beneficiaries” and it has “designated income”. If a Fund is not a mutual fund trust throughout a taxation and has a “designated beneficiary” (which includes a non-resident of Canada, certain trusts and certain tax-exempt persons) and has “designated income” (which includes capital gains from the dispositions of “taxable Canadian property” and income from a business carried on in Canada), the Fund will be liable to pay Part XII.2 tax at a rate of 40% on such designated income. Such tax will be effectively borne by the “designated beneficiaries”, whereas taxable Unitholders who are resident in Canada should generally achieve the same after-tax return as if the Fund were not subject to Part XII.2 tax.

It is assumed that at no time will “financial institutions” (as defined in section 142.2 of the Tax Act) hold more than 50% of the fair market value of all the units of a Fund at any time that the Fund is not a mutual fund trust under the Tax Act. If financial institutions held more than 50% of the fair market value of all the Units of a Fund at a time when the Fund is not a mutual fund trust under the Tax Act, the Fund would be classified as a “financial institution” and among other things subject to the “mark-to-market” rules under the Tax Act on its “mark-to-market property.”

A Fund may be subject to the “suspended loss” rules contained in the Tax Act, which would generally apply where the Fund dispose 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

### ***Income Tax Considerations for Unitholders***

#### **Distributions**

A Unitholder of a Fund will be required to include in income the net income and the taxable portion of the net capital gains (or the taxable capital gains) of the Fund that is paid or made payable to the Unitholder in the year, whether the Unitholder receives the distributions in cash or reinvests them in additional Units. If a Unitholder's share of distributions from a Fund in a year exceeds the Unitholder's share of the Fund's net income and net capital gains for the year, the excess will not be taxable but will reduce the adjusted cost base of the Unitholder's Units in the Fund. To the extent that the adjusted cost base of the Unitholder's Units in a Fund is less than zero, such negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the Units will be increased by such amount.

The holders of certain Classes of Units bear higher management fees than holders of other Classes in respect of their investment in the Funds. 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, it is likely that 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 Funds for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

Provided that appropriate tax designations are made by a Fund, such portion of the net realized taxable capital gains of the Fund and the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations as is paid or payable to a Unitholder will be deemed for tax purposes to be realized or received by the Unitholder in the year as a taxable capital gain or a taxable dividend, respectively. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply including an enhanced dividend gross-up and tax credit in respect of “eligible dividends”.

To the extent that a Fund designates its income from a foreign source and taxes it paid on that income to a foreign jurisdiction in respect of a Unitholder, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Fund in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits in respect of foreign source income designated to a Unitholder by the Funds is subject to the foreign tax credit rules under the Tax Act and the Unitholder's particular circumstances. Unitholders should consult their own tax advisors for information regarding their potential ability to claim foreign tax credits in respect of a particular taxation year.

Under the Tax Act, the Funds are 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 Funds to utilize, in a taxation year, losses from prior years. The amount distributed to a Unitholder but not deducted by the Funds 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.

Gains realized by the Funds from the use of derivative securities generally will result in the distribution of income rather than capital gains.

If an investor owns Units of a Fund on a distribution date, the investor will receive a share of the net income and net capital gains distributed by the Fund on that date. The investor will be required to pay tax on the distribution even if the investor just bought the Units and the net income and net capital gains arose before the Units were purchased. A distribution reduces the Funds' NAV.

The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund, and the greater the chance that you may receive a taxable capital gain distribution for that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

### Redemptions and other Dispositions of Units

On a redemption, switch, or other disposition of a Unit of a Fund, a Unitholder will realize a capital gain to the extent that the proceeds of disposition of the Unit exceed the Unitholder's adjusted cost base of the Unit and any costs of disposition. If the adjusted cost base of the Unit and any costs of disposition exceed the proceeds of disposition, the Unitholder will realize a capital loss. One-half of a capital gain or a capital loss is generally taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses may only be deducted against taxable capital gains.

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

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

- the total of all amounts you paid to purchase those Units, including any sales charges paid by you at the time of purchase;  
plus
- the adjusted cost base of any Units of another Class of Units of the Fund that you hold that were redesignated as Units of the subject class;  
plus
- the amount of any reinvested distributions in respect of Units of the subject class;  
less
- the return of capital component of distributions paid to you in respect of your Units of the subject class; and  
less
- the adjusted cost base of any of your Units of the subject class that have been redeemed.

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

A switch of Units from one Fund to another Fund is a redemption of Units of the first Fund and a purchase of units of the second Fund. Consequently, a capital gain or capital loss may be realized on the redemption

of Units of the first Fund. The cost of the Units of the second Fund will be averaged with the adjusted cost base of any Units of the second fund already owned for the purpose of calculating their adjusted cost base thereafter.

Unlike a switch, a redesignation of Units of one Class to another Class of the same Fund is not a disposition for tax purposes. Consequently, no capital gain or capital loss will be realized by a Unitholder on a reclassification.

In certain situations where a Unitholder disposes of Units of a particular Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired Units of the same Fund (which are considered to be "substituted property") within 30 days before or after the Unitholder disposed of the Unitholder's Units and Units are held by the Unitholder or the affiliate at the end of the 30 day period after the disposition. In these circumstances, the Unitholder's capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the Units which are substituted property.

#### Alternative Minimum Tax

Distributions by the Funds that are designated as taxable dividends from Canadian corporations or net capital gains, and capital gains realized on a disposition of Units, may increase a Unitholder's liability for alternative minimum tax, both under existing rules and Tax Proposals to amend the existing rules.

#### Annual Tax Information

Unitholders will receive an annual statement with information relating to distributions from the Funds in which they hold Units in order to complete their income tax returns. Unitholders should keep records of the cost of Units acquired so that they can calculate any capital gain or loss on the redemption or other disposition of Units.

#### Registered Tax Plans

Provided that a Fund is a mutual fund trust under the Tax Act, Units of the Fund will be qualified investments for Registered Plans. Provided that Units of a Fund are qualified investments for Registered Plans, no tax will be payable on net income and net capital gains distributed by the Fund on Units held by a Registered Plan, or on any capital gains that the plan makes when it redeems Units, as long as the proceeds remain in the plan.

Generally, you will be taxed if you withdraw money from such plans (other than withdrawals from a TFSA and certain withdrawals from a RESP, FHSA or RDSP).

Foreign withholding taxes may apply to investments made by the Funds. Such taxes are not recoverable by Registered Plans.

If Units of the Funds are "prohibited investments" for a TFSA, a RESP, a RDSP, a RRSP, a FHSA or a RRIF a Unitholder who is a holder of a TFSA, FHSA or a RDSP, a subscriber of a RESP or an annuitant of a RRSP or RRIF that holds Units of the Funds ("**Holder**") will be subject to a penalty tax as set out in the Tax Act. A "prohibited investment" includes a Unit of a trust which does not deal at arm's length with the Holder, or in which the Holder has a significant interest, which, in general terms, means the ownership of 10% or more of the value of a trust's outstanding Units by the Holder, either alone or together with persons and partnerships with whom the 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 these purposes. Unitholders are advised to consult their own tax advisors in regarding the application of these rules to their particular circumstances.

### Exchange of Tax Information

Part XVIII of the Tax Act imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. The Funds are “reporting Canadian financial institutions” and may be required to provide information to the CRA in respect of its Unitholders who are “US reportable accounts”. Such information generally relates to citizenship, residency and, if applicable, a U.S. federal tax identification number or such information relating to the controlling person(s) in the case of certain entities. If Unitholders hold their Units through a dealer, the dealers will be subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Unitholders may be requested to provide information to the Funds or its dealers to identify U.S. persons holding Units. If a Unitholder is (or any controlling person of certain entities) is identified as a U.S. person (including a U.S. citizen) or if a Unitholders does not provide the requested information and there are indicators of U.S. status, Part XVIII of the Tax Act will generally require information about the Unitholders’ investments held in the financial account maintained by the Funds or the dealer to be reported to the CRA, unless the investments are held within a Registered Plan (such as a RRSP, however, the legislation currently does not include a FHSA as a Registered Plan). The CRA is expected to provide that information to the U.S. Internal Revenue Service.

The Tax Act also contains similar rules Part XIX in respect of other non-Canadian investors in the Funds.

### **WHAT ARE YOUR LEGAL RIGHTS?**

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

### **EXEMPTIONS AND APPROVALS**

The Alternative Funds have obtained exemptive relief from the restriction in subsection 5.1(4) of NI 81-101 to permit their simplified prospectus to be consolidated with the simplified prospectus of one or more other mutual fund(s): (i) that are reporting issuers to which NI 81-101 and NI 81-102 apply, (ii) that are not alternative mutual funds, and (iii) for which the Manager, or an affiliate of the Manager, acts as the investment fund manager.

**CERTIFICATE OF  
NEXT EDGE BIOTECH AND LIFE SCIENCES OPPORTUNITIES FUND NEXT EDGE  
STRATEGIC METALS AND COMMODITIES FUND AND VERITAS NEXT EDGE PREMIUM  
YIELD FUND (THE “FUNDS”) AND OF THE MANAGER AND PROMOTER**

This 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 in each province of Canada and do not contain any misrepresentations.

Dated: October 20, 2023

**Next Edge Capital Corp.**  
on behalf of the Fund and as Manager of the Funds

“Robert H. Anton”  
Robert H. Anton  
Acting Chief Executive Officer, Director,  
President

“David A. 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.**  
on behalf of the Fund and as Manager of the Funds

“David A. Scobie”  
David A. Scobie  
Director

**Next Edge Capital Corp.**  
as Promoter of the Funds

“Robert H. Anton”  
Robert H. Anton  
Managing Director, President

## **SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

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

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

#### ***What is a Mutual Fund?***

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

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

Each Fund is a mutual fund organized as an open-ended unit trust governed by the laws of the Province of Ontario and established under the Declaration of Trust. The Alternative Funds are also "alternative mutual funds" as defined in NI 81-102.

The Funds each have specific investment objectives and portfolios of investments. Each Fund currently offers three Classes of Units, with the exception of Next Edge Biotech and Life Sciences Opportunities Fund which offers four Classes of Units, by this Simplified Prospectus. In the future, the Funds may offer additional Classes of Units without notification to, or approval of, investors.

Each Class of Units is intended for a different investor and may entail different fees (with the exception of Next Edge Biotech and Life Sciences Opportunities Fund). The different Classes of Units available under this Simplified Prospectus are described under the section entitled "*Purchases, Switches and Redemptions*".

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

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

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

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

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

The Alternative Funds are considered “alternative mutual funds” within the meaning of NI 81-102, which permits each to use strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

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

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

The following risk factors are associated with investing in the Funds and mutual funds generally.

### ***Biotechnology Industry Risk***

Companies within the biotechnology industry invest heavily in research and development which may not necessarily lead to commercially successful products. This industry is also subject to increased governmental regulation which may delay or inhibit the release of new products. Many biotechnology companies are dependent upon their ability to use and enforce intellectual property rights and patents. Any impairment of such rights may have adverse financial consequences. Biotechnology companies can be characterized by competition and rapid technological developments which may make a company’s products or services obsolete in a short period of time. The industry is also characterized by product liability lawsuits and consequential high insurance costs. The market values of investments in the biotechnology industry are often based upon speculation and expectations about future products, research progress, and new product filings with regulatory authorities. Biotechnology stocks, especially those of smaller, less-seasoned companies, also tend to be more volatile than the overall market.

### ***Borrowing Risk – Alternative Funds Only***

Borrowing of cash by the Alternative Funds and using that cash to purchase additional securities or other portfolio assets could magnify the impact of any movement in the prices of the underlying investments of the Alternative Funds and, therefore, the value of your investment. Consequently, these investments may produce more volatile gains or losses compared to investing in the same investments without the use of borrowing.

### ***Commodity Sector Risk***

Next Edge Strategic Metals and Commodities Fund will generally invest in the commodities sector. The business activities of commodities issuers are typically speculative with a high degree of risk and may be adversely affected by sector specific risk factors, outside the control of the commodity issuers, which may ultimately have an impact on Next Edge Strategic Metals and Commodities Fund’s investments in such

companies' securities. Because of such factors, the Net Asset Value of Next Edge Strategic Metals and Commodities Fund may be more volatile than portfolios with a more diversified investment focus.

### ***Counterparty Risk***

The Funds may enter into a derivative contract(s) with one or more counterparties. Investment in a derivative contract will expose the Funds to the credit risk associated with the counterparty.

Securityholders will have no recourse against the assets of the counterparty or its affiliate(s) with respect to any aspect of the derivative contract or payments thereunder.

### ***Credit Risk***

Mutual funds, such as the Funds, that invest in fixed income securities (like bonds) are vulnerable to credit risk. Credit risk is the risk that the government or company issuing a fixed income security will not be able to pay the interest as required or pay back the original investment. Securities that have a low credit rating have high credit risk. Mutual funds that invest in companies or markets with low credit risk (such as well-established companies or markets in developed countries) may be less volatile in the short term than those mutual funds that invest in securities with higher credit risk.

### ***Cybersecurity Risk***

Cybersecurity risk is the risk of harm, loss and liability resulting from a failure or breach of information technology systems. Failures or breaches of the information technology systems ("cybersecurity incidents") can result from deliberate attacks or unintentional events and may arise from external or internal sources. Deliberate cybersecurity attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, equipment or systems, or causing operational disruption. Deliberate cybersecurity attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users).

The primary risks to the Funds from the occurrence of a cybersecurity incident include disruption in operations, reputational damage, disclosure of confidential information, the incurrence of regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity incidents of the Funds' third-party service providers (e.g., administrators, transfer agents, custodians and sub-advisors) or issuers that the Funds invest in can also subject the Funds to many of the same risks associated with direct cybersecurity incidents.

The Manager has established risk management systems designed to reduce the risks associated with cybersecurity. However, there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems put in place by its service providers or any other third party whose operations may affect the Funds or its Unitholders. The Funds and their Unitholders could be negatively impacted as a result.

### ***Derivatives Risk***

A derivative is a contract between two parties. The value of the contract is "derived" from the market price or value of an underlying asset, like currency or stock, or an economic indicator such as interest rates or stock market indices.

Examples of derivatives include:

**Options** - which are securities that give the mutual fund the ability to buy or sell a security at a pre-set price until a future date, but the mutual fund need not elect to do so.

**Forward Contracts** - which are similar to options, but instead they require a mutual fund to purchase or sell a security or commodity at a pre-set price at a future date or exchange the equivalent value of the forward contract in cash. The counterparty (i.e. the person (normally an investment dealer or financial institution) with whom a mutual fund enters into a derivative transaction) to the forward contract will be obliged to pay the mutual fund any increase in the value of the forward contract, or the mutual fund will be obliged to pay the counterparty any decrease in the value of the contract.

**Futures Contracts** - which are standardized forward contracts that trade on a futures exchange.

**Swaps** - which are arrangements under which a mutual fund agrees to exchange cash flows from different financial instruments with another party. Some examples include an interest rate swap in which a mutual fund agrees to exchange a fixed rate of interest on a bond for a floating rate of interest on another bond of the same amount, and a credit default swap in which a premium is paid by a mutual fund for a right to receive payment if a bond issuer commits certain specified defaults.

A fund may use derivatives to:

- Offset or reduce the risk of changes in currency values, securities prices or interest rates (otherwise known as hedging).
- Lower transaction costs, provide greater liquidity, and increase the speed with which a mutual fund can change its portfolio.
- Increase profits by entering into futures contracts based on stock market indices or by using derivatives to profit from declines in financial markets.

The use of derivatives by a mutual fund does not guarantee that there won't be a loss or that there will be a gain or that hedging strategies will be effective. As well, there are risks to using derivatives, including that:

- there may not be a market when a fund wants to meet the terms of its derivative contract
- the other party to the derivative may be unable to fulfill its obligations
- a fund may have a derivative contract with a dealer who goes bankrupt
- the derivative may be based on a stock market index where trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index
- a fund may be unable to close out its positions because of daily trading limits on options and futures contracts imposed by stock exchanges.

As the Alternative Funds are considered to be "alternative mutual funds" pursuant to NI 81-102, the Alternative Funds are permitted to invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

Gains and losses from derivatives contracts may be reported by a fund for tax purposes on income account or capital account dependent upon the nature of the derivative and how it was used in a fund. There can be no assurance that the CRA will agree with the tax treatment adopted by a fund in its tax return. The CRA could reassess a fund on a basis that results in tax being payable by a fund or in an increase in the taxable component of distributions considered to have been paid to securityholders. A reassessment by the CRA may also result in a Fund being liable for unremitted withholding tax on prior distributions to non-resident securityholders. Such liability may reduce the NAV of securities of a Fund.

### ***Equity Securities Risk***

An equity security represents an ownership interest in the company or entity that issued it. The value of a mutual fund that invests in equity securities (which includes stocks, shares or units) will be affected by changes in the market price of those securities. The price of an equity security is affected by developments related to the applicable issuer and by general economic and financial conditions in those countries where the issuer is located or carries on business or where the security is listed for trading. If the issuer's prospects are favourable, more investors will be willing to buy its securities, hoping to profit from the issuer's rising fortunes and the security price is likely to rise. In addition, a buoyant economy generally means a positive outlook for many issuers and the general trend for security prices may rise. The opposite may also occur if the issuer's prospects are unfavourable or the economy in general is doing poorly. The value of mutual funds that invest in equities will fluctuate with these changes.

### ***ETF Risk***

Exchange-traded funds ("ETFs") are listed and trade on a national securities exchange. The Funds may be exposed, either directly or indirectly, to ETFs that issue index participation units (each an "IPU"), as such term is defined by applicable mutual fund legislation. Generally, an ETF aims to track or replicate an index and such index may be based on equities, futures, bonds, commodities or currencies. ETFs do not sell individual securities directly to investors and generally will only issue their securities in large blocks known as "creation units." The investor purchasing a creation unit may sell the individual securities on a secondary market. Therefore, the liquidity of ETFs depends on the adequacy of the secondary market. There can be no assurance that an ETF's investment objective will be achieved, as ETFs based on an index may not replicate and maintain exactly the composition and relative weightings of securities in the index. ETFs are subject to the risks of investing in the underlying securities. If a Fund invests in an ETF, the Fund, as a holder of the securities of the ETF, will bear its pro rata portion of the ETF's expenses, including advisory fees. These expenses are in addition to the direct expenses of the Fund's own operations.

### ***Foreign Currency Risk***

A mutual fund, such as a Fund, that invests in foreign securities is vulnerable to foreign currency risk, which is the risk that the value of the Canadian dollar will change as measured against a foreign currency. For example, a security traded in U.S. dollars will fall in value, in Canadian dollar terms, if the U.S. dollar declines in value relative to the Canadian dollar, even though there is no change to the U.S. dollar value of the security. Conversely, if the Canadian dollar falls in value relative to the U.S. dollar, there will be a corresponding gain in the value of the security due to the change in the exchange rate.

### ***Foreign Securities Risk***

Mutual funds, such as the Funds, that invest in foreign securities are subject to the following risks:

- it may be affected by changes in currency exchange rates (see "Foreign Currency Risk")

- some foreign stock markets have less trading volume, which may make it more difficult to sell an investment or may make prices of securities more volatile
- there is often less information available about foreign companies and many countries do not have the same accounting, auditing and reporting standards that we have in Canada
- a country may have foreign investment or exchange laws that make it difficult to sell an investment or it may impose withholding or other taxes that could reduce the return on the investment
- political or social instability or diplomatic developments could affect the value of the investment
- a country may have a weak economy due to factors like high inflation, weak currency or government debt.

### ***Interest Rate Risk***

The value of a mutual fund, such as a Fund, that invests in bonds and other fixed income investments and, to a lesser extent, preferred shares and dividend yielding common shares, is directly affected by changes in the general level of interest rates.

As interest rates increase, the price of these investments tends to fall. Conversely, if interest rates fall, the price of fixed income securities tends to increase. As a result, mutual funds that invest in certain fixed income securities can experience capital gains or losses during periods of changing interest rates.

### ***Legislation and Litigation Risk***

From time to time, various legislative initiatives are proposed by governments which may have a negative impact on certain issuers whose securities are held in the portfolio of a mutual fund. In addition, litigation regarding any of such issuers or the industries represented by these issuers may negatively impact the prices of securities. The impact on the portfolio of a mutual fund of any pending or proposed legislation or pending or threatened litigation cannot be predicted.

For example, the Funds are generally required to pay non-recoverable taxes eligible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder (“GST/HST”) on any management fees, performance fees and most of the other fees and expenses that each has to pay. There have been many recent changes to Canadian sales, use and value taxes and their application. These changes may be accompanied by additional changes to the way that the GST/HST and provincial sales taxes apply to fees and expenses incurred by mutual funds such as the Funds, which, accordingly, may affect the costs borne by the Funds and their Unitholders.

### ***Leverage Risk – Alternative Fund Only***

An Alternative Fund is permitted to invest in asset classes and use investment strategies that are not permitted for other types of mutual funds. When an Alternative Fund makes investments in derivatives for non-hedging purposes, borrows cash for investment purposes, or sells short equity securities, fixed income securities or other portfolio assets, leverage may be introduced into the Alternative Fund. Leverage occurs when an Alternative Fund’s notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset or interest may amplify losses compared to those that would have

been incurred if the underlying asset or interest had been directly held by the Alternative Fund, and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Alternative Funds' liquidity and may cause the Alternative Funds to liquidate positions at unfavourable times. Many leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar collateral could result in the need for trading at times or prices that are disadvantageous to the Alternative Funds and which could result in a loss for the Alternative Funds.

Securities regulation provide that an alternative mutual fund's aggregate gross exposure, to be calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of cash borrowing; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of specified derivatives positions excluding any specified derivatives used for hedging purposes. Leverage will be calculated in accordance with the methodology prescribed by securities laws, or any exemptions therefrom.

### ***Liquidity Risk***

Liquidity refers to the speed and ease with which an asset can be sold or converted into cash. Some securities may be difficult to buy or sell because they're not well known or because political or economic events significantly affect them. These include investments in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they're developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for a mutual fund to buy or sell shares when it wants to. As a result of holding these types of investments, the value of a mutual fund may rise or fall substantially.

### ***Multiple Class Risk***

Each Fund currently offers three Classes of Units, with the exception of Next Edge Biotech and Life Sciences Opportunities Fund which offers four Classes of Units. Each Fund may issue additional Classes of Units in the future. Each Class of Units of a Fund will be charged, as a separate Class, any expenses which are specifically attributable to that Class. However, those expenses do continue to be a liability of the Fund as a whole and therefore, if there are insufficient assets of a Class to pay those expenses, the assets of the other Classes of the Fund would be used to pay those excess expenses. In such circumstances, the Unit price of the other Classes of the Fund would decline.

### ***Options Risk***

The Funds may invest in options. An option is a contract between two parties for the purchase and sale of a financial instrument for a specified price at any time during the option period. Unlike a futures contract, an option grants a right (not an obligation) to buy or sell a financial instrument. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a future contract at a specified exercise price during the term of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium invested in the call option. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security below the exercise price of the option. The

seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire premium invested in the put option. Any investment in an option by a Fund will be in compliance with NI 81-102.

### ***Price Volatility Risk***

The NAV per Unit of a Fund will vary according to, among other things, the value of the securities held by the Fund. Next Edge and the Funds have no control over the factors that affect the value of the securities held by the Funds, including factors that affect the equity and bond markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to each constituent security.

The outbreak in December 2019 of the novel strain of coronavirus designated as COVID-19 caused substantial economic volatility and declines in financial markets globally as well as general concern and uncertainty. The impact of COVID-19, as well as other unexpected disruptive events, may continue to last for an extended period of time and may have effects that cannot be foreseen at the present time. These events could also adversely affect a Fund's performance and may lead to losses on your investment in a Fund.

### ***Sector Risk***

A relatively high concentration of assets in a single or small number of issuers may reduce the diversification and liquidity of a mutual fund and increase its volatility. As a result of reduced liquidity, the mutual fund's ability to satisfy redemption requests may be reduced. It may also result in a concentration in specialized industries or market sectors. Investment in such a mutual fund involves greater risk and volatility than investing in a mutual fund that has a broadly based investment portfolio since the performance of one particular industry or market could significantly and adversely affect the overall performance of the entire mutual fund.

### ***Repurchase and reverse repurchase transactions and securities lending risk***

There is the risk that the other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the applicable Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, a Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds.

To reduce these risks, a Fund requires the other party to one of these transactions to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the Fund's assets. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

### ***Short Selling Risk***

A short sale by a mutual fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the mutual fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund

borrow the securities and the time it repurchases and returns the securities to the lender, the mutual fund makes a profit on the difference (less any interest the mutual fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the mutual fund. Securities sold short may instead appreciate in value creating a loss for the mutual fund. The mutual fund may experience difficulties repurchasing and returning the borrowed security if a liquid market for the security does not exist. The lender may also recall borrowed securities at any time. The lender from whom the mutual fund has borrowed securities may go bankrupt and the mutual fund may lose the collateral it has deposited with the lender. The mutual fund will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales. The mutual fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits. A Fund is permitted under securities legislation to sell securities short and borrow cash up to an aggregate maximum of 50% of its NAV.

### ***Stock Market Risk***

A mutual fund that invests in equity investments (like stocks or shares) or derivatives based on equities will be affected by conditions affecting the stock markets on which those equities are traded and by general economic conditions.

A stock's value is also affected by the outlook for the company, specific company developments, market activity and by the broader economic picture, both at home and abroad. When the economy is expanding, the outlook for many companies may also be good and the value of their stocks may rise. Conversely, when the economy is not expanding, the outlook for many companies may not be good and the value of their stocks may drop.

### ***Substantial Securityholder Risk***

The purchase or redemption of securities by a substantial securityholder can adversely affect the performance of a mutual fund. The purchase or redemption of a substantial number of securities of a fund may require the portfolio manager to change the composition of the fund's portfolio significantly or may force the portfolio manager to buy or sell investments at unfavourable prices, each of which can negatively affect a fund's return.

### ***Tax Risk***

There can be no assurance that the tax laws applicable to the Funds under the Tax Act or under foreign tax regimes, or the administration thereof, will not be changed in a manner which could adversely affect the Funds or Unitholders. If a Fund does not or ceases to qualify as a "mutual fund trust" under the Tax Act, the income tax considerations described under the heading "Income Tax Considerations for Unitholders" would be materially and adversely different in certain respects.

There can be no assurances that the CRA will agree with the tax treatment adopted by a Fund in filing its tax return (e.g., deduction of expenses or recognition of income) and the CRA could reassess such Fund on a basis that results in tax being payable by the Fund or additional tax being paid by Unitholders.

In November 2022, the Department of Finance Canada released for public comment revised draft legislative proposals which, if enacted, may limit the deductibility of net interest and financing expenses for Canadian tax purposes. The draft legislative proposals are generally intended to apply in respect of taxation years that begin on or after October 1, 2023. These legislative proposals have not yet been enacted. To the extent that

such proposals were to apply to a Fund, the Fund would be required to make larger taxable distributions to Unitholders.

## INVESTMENT RESTRICTIONS

### *General*

The Funds are subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102. These restrictions and practices are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. The Funds are managed in accordance with these restrictions and practices.

As noted above, the Alternative Funds are considered “alternative mutual funds”, as defined in NI 81-102. This permits an Alternative Fund to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

A Fund will not mix their investments with investments of other persons. The investments of a Fund will be kept separate from the investments of and from all other property belonging to or in the custody of RBC Investor Services Trust or any other custodian of assets of such Fund.

The Funds are unit trusts under the Tax Act. The Funds are qualified as and also intend to continue to qualify as “mutual fund trusts” under the Tax Act. The Funds will not engage in any undertaking other than the investment of its funds in property for the purposes of the Tax Act.

Provided the Funds are “mutual fund trusts” under the Tax Act, Units of the Funds will be qualified investments for Registered Plans.

The prior approval of the Unitholders of the Funds are required for any change in the fundamental investment objectives of the Funds.

### *Derivatives*

A derivative is a financial instrument that derives its value from the value of another security, index, economic indicator or other financial instrument. Examples of derivatives include:

**Options** - which are securities that give the mutual fund the ability to buy or sell a security at a pre-set price until a future date, but the mutual fund need not elect to do so.

**Forward Contracts** - which are similar to options, but instead they require a mutual fund to purchase or sell a security or commodity at a pre-set price at a future date or exchange the equivalent value of the forward contract in cash. The counterparty (i.e the person (normally an investment dealer or financial institution) with whom a mutual fund enters into a derivative transaction) to the forward contract will be obliged to pay the mutual fund any increase in the value of the forward contract, or the mutual fund will be obliged to pay the counterparty any decrease in the value of the contract.

**Futures Contracts** - which are standardized forward contracts that trade on a futures exchange.

**Swaps** - which are arrangements under which a mutual fund agrees to exchange cash flows from different financial instruments with another party. Some examples include an interest rate swap in which a mutual fund agrees to exchange a fixed rate of interest on a bond for a floating rate of interest on another bond of the same amount, and a credit default swap in which a premium is paid by a mutual fund for a right to receive payment if a bond issuer commits certain specified defaults.

The Funds may use derivatives as permitted by applicable securities legislation (including NI 81-102) for a variety of reasons, including:

- to protect against losses caused by changes in the prices of securities, stock markets, interest rates, currency exchange rates and other risks. There is no assurance that this will be effective, so losses may result even where the Funds are trying to use derivatives to help reduce the risk associated with one or more of its investments. This also does not eliminate fluctuations in the prices of securities valued in a foreign currency, nor does it prevent losses if the prices of those securities decline. In addition, it may not be possible for the Funds to enter into transactions intended to protect against generally anticipated changes in interest rates, market prices, or currency exchange rates;
- to effectively increase or decrease the maturity of bonds and other fixed income securities in their portfolio;
- as a substitute for purchasing or selling the actual stocks and bonds on which the derivative is based. This allows the Funds to increase or reduce their exposure to certain markets, currencies or securities, without trading the actual shares, bonds or currency. Derivatives when used as a substitute for direct market transactions have risks similar to the actual purchase or sale of the security or currency upon which the derivative is based; and
- as a means to enhance returns, which could result in the Funds having to buy or sell securities at prices less favourable than those available in the market.

The Funds may use derivatives to help reduce (or “hedge”) against the risk associated with one or more of their investments. If so, the Funds must dispose of the derivative once it sells the investment. It may not be possible for the Funds to readily reduce the risks associated with its derivatives, including the Funds’ ability to reduce its exposure to the securities upon which the derivative is based.

Derivatives from foreign markets may have a higher risk of default and may be harder to sell, than comparable instruments traded in Canadian and U.S. markets.

Derivatives also have the risk that the counterparty may be unable to meet its obligations, or that a dealer with whom the Funds has entered into a derivative arrangement may become insolvent. This may result in the loss of any deposit held for the Funds by that dealer.

A Fund may also use derivatives for purposes other than to reduce risk. If a Fund uses them for a “non-hedging” reason, such as to increase its exposure to certain market sectors or foreign markets, then the Fund must ensure that it complies with applicable securities legislation, including NI 81-102. Certain of these restrictions with respect to particular derivatives are described further below. Note, pursuant to NI 81-102, the Alternative Funds are permitted to invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102.

### Options

The Funds may purchase clearing-corporation and over-the-counter (OTC) options, including options on futures contracts, as a means to increase or decrease its exposure to different markets and securities within the same market. Where the Funds use options for non-hedging purposes, each will limit its purchases as required by applicable securities legislation, including NI 81-102.

The value of options will vary with movements in the value of the securities upon which the options are based.

If a Fund purchases an option:

- the issuer of the option must have a “designated rating” (as defined in NI 81-102) unless the option is a clearing corporation option.

If a Fund sells an option:

- the option it creates will give the buyer until some future date the ability to require the Fund to either sell its securities, or purchase securities from the buyer, at the option of the buyer at a pre-set price;
- the Fund will receive income (called a “premium”) as a means to realize a greater return. If the option expires unused, the Funds will simply keep the premium. If, however, the option is exercised, the Fund is required to purchase or sell (as the case may be) the securities specified by the option at the pre-set price; and
- the Fund will set aside cash or securities which can be used to satisfy its obligations under the option, which together with any deposit made in respect of the option will satisfy their obligations.

### Futures and Forward Contracts

The Funds may use futures contracts and forward contracts:

- to help reduce the risk associated with their investments; and
- for purposes other than to reduce risk, but then only if permitted by applicable securities legislation, and only if the Funds have cash and cash-like securities, or holdings which are a reasonable substitute for investments covered by these contracts, as required by applicable securities legislation.

## **DESCRIPTION OF UNITS OFFERED BY THE FUNDS**

### ***General – Units Offered***

The Funds are permitted to issue an unlimited number of Classes and may issue an unlimited number of units of each Class. The Funds have each created and each currently offer Class A Units, Class F Units and Class I Units (with the exception of Next Edge Biotech and Life Sciences Opportunities Fund which offers Class A Units, Class A1 Units, Class F Units and Class F1 Units). Units of the Funds are offered on a continuous basis in all Provinces of Canada. The Funds are valued in Canadian dollars only.

Class A1 Units (formerly referred to as Class A Units) and Class F1 Units (formerly known as Class F Units) of Next Edge Biotech and Life Sciences Opportunities Fund are capped to new investments. New investments of such Classes may again become available at the discretion of the Manager.

No certificate will be issued to you upon a purchase of a Unit of a Fund.

Although the money which you and other investors pay to purchase Units of any Class of a Fund are tracked on a Class by Class basis in the Fund's administrative records, the assets are combined in a single pool to create one portfolio for investment purposes.

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

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

- *Class A Units:* Available to all investors and may carry an upfront commission at the time of purchase of the Units.

Your dealer may charge you an upfront sales commission of up to 3.00% of the subscription price (where such subscription price includes the sales charge, if any) when you buy Class A Units. The Manager will pay a trailing commission to your dealer with respect to your Class A Units equal to 1.00% per annum of the NAV of your Class A Units.

- *Class A1 Units:* Available to all investors but are currently capped to new investments. New investments may again become available in the future at the discretion of the Manager.

If available for purchase, your dealer may charge you an upfront sales commission of up to 3.00% of the subscription price (where such subscription price includes the sales charge, if any) when you buy Class A1 Units. The Manager will pay a trailing commission to your dealer with respect to your Class A1 Units equal to 1.00% per annum of the NAV of your Class A1 Units.

- *Class F 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 F1 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 F1 Units are currently capped to new investments. New investments may again become available in the future at the discretion of the Manager.
- *Class I Units:* Available to institutional investors or to other investors on a case-by-case basis, at the discretion of the Manager. The Manager does not pay any trailing commissions to dealers in respect of the Class I Units. If a Unitholder ceases to be eligible to hold Class

I Units, as the case may be, the Manager may redesignate a Unitholder's Class I Units of the Fund as Class A Units of the same Fund after providing the Unitholder with 5 days' notice, unless the Unitholder notifies the Manager during the notice period and the Manager agrees that the Unitholder is once again eligible to hold Class I Units. Unitholders may be charged a sales commission in connection with such redesignation by their dealer.

Your dealer does not receive trailing commissions from the Manager with respect to your Class F Units, Class F1 Units (in respect of Next Edge Biotech and Life Sciences Opportunities Fund) or Class I Units.

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

All of the Classes of Units have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees or commissions, as set out in this Simplified Prospectus. The Net Asset Value per Unit of each Class will not be the same as a result of the different fees and expenses allocable to each Class of Units.

If a Fund (or a particular Class of Units of a Fund) is ever terminated, each Unit that you own will participate equally with each other Unit of the same Class in the assets of the Fund after all of the Fund's liabilities (or those allocated to the Class of Units being terminated) have been paid.

### ***Distributions***

Each Class of Units of a Fund will be entitled to the portion of any distribution by the Fund equal to that proportionate share of the adjusted net income of that Class of the Fund, less the management fee and expenses of the Fund attributable to that Class. Net income is a Fund's net income adjusted for Class specific expenses (including the management fees which will be different for each Class of a Fund). Accordingly, the amount of distributions to unitholders of different Classes (for each Unit) of a Fund may not be equal to each other.

### ***Voting Rights***

Unitholders of the Funds have no voting rights except as permitted by the Declaration of Trust or as required by Canadian securities legislation. If a vote is required, Unitholders of a Fund are entitled to one vote per Unit of the Fund as set out in the Declaration of Trust. A separate Class vote is required if a particular Class of Units of a Fund is affected in a manner that is different from other Classes.

The following matters currently require Unitholder approval of the Funds pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its Unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its Unitholders or introducing a fee or expense to be charged to a Fund or directly to its Unitholders by the Fund or the Manager in a way that could result in an increase in charges to the Fund or its Unitholders; however, in either case, no Unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense and if written notice of the change is provided to Unitholders at least 60 days before the effective date of the change;
- changing the manager of the Funds, unless the new manager is an affiliate of the Manager;
- changing the fundamental investment objectives of the Funds;

- decreasing the frequency of the calculation of the Funds' NAV;
- undertaking a reorganization with, or transferring a Fund's assets to, another issuer, when the Fund will cease to continue after the transaction and the transaction will result in the Unitholders of the Fund becoming Unitholders of the other issuer; however, Unitholder approval will not be required provided: (i) the IRC (as described under the section "Independent Review Committee" above) has approved the change in accordance with NI 81-107, (ii) the Fund is being reorganized with, or transferring its assets to, another investment fund to which NI 81-102 and NI 81-107 apply and that is managed by the Manager or an affiliate of the Manager, (iii) the reorganization or transfer of assets complies with required criteria described in NI 81-102, and (iv) written notice describing the reorganization or transfer is sent to Unitholders at least 60 days before the effective date of the reorganization or transfer;
- if a Fund undertakes a reorganization with, or acquires assets from, another issuer, if the Fund continues after the transaction, and the transaction results in the Unitholders of the issuer becoming Unitholders of the Fund and the transaction would be a material change to the Fund; and
- if a Fund restructures into a non-redeemable investment fund or an issuer that is not an investment fund.

### ***Notice Requirements***

Next Edge will also provide Unitholders of a Fund 30 days' written notice of any changes to the Declaration of Trust, except that Next Edge may make changes without the approval of, or notice to, Unitholders if the changes are intended:

- to ensure regulatory compliance;
- to maintain the status of the Fund as a "unit trust" or "mutual fund trust" for the purpose of the Tax Act or to respond to amendments to the Tax Act;
- to provide additional protection to Unitholders; or
- to remove conflicts or inconsistencies or to correct typographical, clerical or other errors, as long as such amendment is not prejudicial to the interests of Unitholders.

## **NAME, FORMATION AND HISTORY OF THE FUNDS**

### ***General***

The Funds are trusts established under the laws of Ontario. The Funds are governed by an amended and restated master declaration of trust dated November 3, 2020 and in the case of Next Edge Biotech and Life Sciences Opportunities Fund, an amended and restated supplemental trust declaration dated October 14, 2022, in the case of Next Edge Strategic Metals and Commodities Fund, a supplemental trust declaration dated July 16, 2021 and in the case of Veritas Next Edge Premium Yield Fund, a supplemental trust declaration dated October 15, 2021 made by Next Edge Capital Corp., the trustee and manager of the Funds. Next Edge is also the portfolio manager of Next Edge Biotech and Life Sciences Opportunities Fund and Veritas Next Edge Premium Yield Fund. See "*Responsibility for Mutual Fund Administration*" for more details.

As noted, the Alternative Funds are also considered to be “alternative mutual funds”, as defined in NI 81-102. This permits the Alternative Funds to use strategies generally prohibited to conventional mutual funds and as described herein.

The address, phone number, website address and email address of Next Edge and the Funds is 1 Toronto Street, Suite 200, Toronto, Ontario, M5C 2V6, 416-775-3600 or toll-free at 1-877-860-1080, email: [info@nextedgecapital.com](mailto:info@nextedgecapital.com) and website: [www.nextedgecapital.com](http://www.nextedgecapital.com).

### ***History of the Funds***

There have been no material events affecting the Funds since their inception. The following chart sets out the date of formation of each Fund:

| <b>Fund</b>                                            | <b>Date of Formation</b> |
|--------------------------------------------------------|--------------------------|
| Next Edge Biotech and Life Sciences Opportunities Fund | November 3, 2020         |
| Next Edge Strategic Metals and Commodities Fund        | July 16, 2021            |
| Veritas Next Edge Premium Yield Fund                   | October 15, 2021         |

### **INVESTMENT RISK CLASSIFICATION METHODOLOGY**

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

The investment risk level for a Fund with at least ten years of performance history will be based on such Fund’s historical volatility, as measured by its ten-year standard deviation of performance. The investment risk level for a Fund with less than ten years of performance history will be based on the historical volatility of a reference index (or in certain cases a highly similar mutual fund managed by us) for that reasonably approximates such Fund’s historical performance, as measured by the reference index’s ten-year standard deviation of performance and as set out below:

| <b>Fund</b>                                                   | <b>Reference Index</b>     | <b>Description of Reference Index</b>                                                                                                                                                                                              |
|---------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Next Edge Biotech and Life Sciences Opportunities Fund</b> | NASDAQ Biotechnology Index | The NASDAQ Biotechnology Index contains securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark as either Biotechnology or Pharmaceuticals which also meet other eligibility criteria. |

|                                                        |                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Next Edge Strategic Metals and Commodities Fund</b> | SPDR S&P Global Natural Resources ETF, total return. | The SPDR S&P Global Natural Resources ETF, total return contains securities of 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy, and metals & mining. The SPDR S&P Global Natural Resources ETF, total return is calculated under a modified capitalization-weighted methodology.                                                                                                   |
| <b>Veritas Next Edge Premium Yield Fund</b>            | S&P/TSX Composite Total Return Index                 | The S&P/TSX Composite Total Return Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. The index is comprised of the largest (by market capitalization) and most liquid securities listed on the TSX. The total return calculation assumes the reinvestment of all dividends, including stock dividends paid in kind, stock dividends paid with the securities of an issuer other than the issuer declaring such dividend, rights distributions, and cash distributions less than 4% of the underlying stock price based on the last traded board lot. |

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

**The risk rating categories of this methodology are:**

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

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

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

## INFORMATION APPLICABLE TO ONE OR MORE FUNDS

In this part of the Simplified Prospectus we have set out fund-specific information to assist you in reviewing the Funds and evaluating which Fund is appropriate for your investment needs. The specific information for each Fund is divided into the following sections.

### ***Fund details***

Each Fund is a mutual fund established as a trust under the laws of the Province of Ontario. The authorized capital of each Fund includes one or more Classes of mutual fund units. An unlimited number of mutual fund units of the Funds are authorized for issuance. Expenses of each Class are tracked separately and a separate NAV is calculated for each Class. More details can be found under “Fees and Expenses” beginning on page 24.

The fund details table gives you a brief summary of each Fund. It describes what type of mutual fund it is and also highlights that units of the Fund are a qualified investment for Registered Plans.

### ***What does the Fund invest in?***

#### Investment objectives

This section outlines the investment objectives of each Fund and the type of securities in which the Fund may invest to achieve those investment objectives.

#### Investment strategies

This section describes the principal investment strategies that the Portfolio Manager uses to achieve the Fund’s investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

#### How the Funds engage in securities lending

A Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions.

A “securities lending transaction” occurs when a Fund lends portfolio securities that it owns to a third-party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A “repurchase transaction” occurs when a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A “reverse repurchase transaction” occurs when a Fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund’s purchase price for the debt instruments and the resale price provides the Fund with additional income.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the Funds to earn additional income and thereby enhance their performance.

A Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in repurchase transactions and not yet repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

#### How the Funds use derivatives

A derivative is an investment that derives its value from another investment, the underlying investment. This could be a stock, bond, currency or market index. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some examples of derivatives are options, futures and forward contracts.

Each Fund may use derivatives as permitted by securities regulations. They may use them to:

- hedge their investments against losses from factors like currency fluctuations, stock market risks and interest rate changes; and
- invest indirectly in securities or financial markets, provided the investment is consistent with the Fund's investment objective.

When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its position in the derivative, as required by securities regulations.

#### How the Funds engage in short selling

Each Fund may engage in short selling, which involves borrowing securities from a lender, which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

The Fund may engage in short selling should securities be identified that are trading at a significant premium to their intrinsic value and are anticipated to decline in value. The Fund may also engage in short selling as a means of implementing a "hedge" in an attempt to lessen Fund volatility in declining markets. In this instance, the Fund would sell short securities representing a market index or sub index. The Fund may also sell short a security as a means of capturing a pricing disparity between itself and a related security, which would be purchased or held "long". This process of capturing price differences between related securities is referred to as arbitrage. Examples of such an action would include companies involved in merger or acquisition activity or other corporate action.

#### Investing in underlying funds

Funds may invest in underlying funds, either directly or by gaining exposure to an underlying fund through a derivative.

In selecting underlying funds, we assess a variety of criteria, including:

- management style;
- investment performance and consistency;
- risk tolerance levels;
- calibre of reporting procedures; and
- quality of the manager and/or investment advisor.

We review and monitor the performance of the underlying funds in which we invest. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

#### Investing in ETFs

An index participation unit under applicable Canadian mutual fund rules is a security traded on a stock exchange in Canada or the U.S. that is issued by an issuer the only purpose of which is to: hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or invest in a manner that causes the issuer to replicate the performance of that index.

Under applicable securities legislation, a mutual fund is permitted to invest in an ETF whose securities qualify as index participation units if:

- the investment objective of the ETF is consistent with the mutual fund's investment objective;
- no management fees or portfolio management fees are payable by the mutual fund that would duplicate a fee payable by the ETF;
- no sales charges or deferred sales charges are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF, except for trading costs; and
- no sales fees or redemption fees, other than brokerage fees, are payable by the mutual fund in relation to its purchases or redemptions of the securities of the ETF that, to a reasonable person, would duplicate a fee payable by an investor in the ETF.
- purchase a security of an ETFs or enter into a specified derivatives transaction with respect to an ETF even though, immediately after the transaction, more than 10% of the net asset value of the fund would be invested, directly or indirectly, in the securities of the ETF;
- purchase securities of an ETF such that, after the purchase, the fund would hold securities representing more than 10% of: (i) the votes attaching to the outstanding voting securities of the ETF; or (ii) the outstanding equity securities of the ETF; and
- invest in ETFs that are not subject to NI 81-101.

### Use of Leverage - Alternative Funds

As each Alternative Fund is an “alternative mutual fund”, the Alternative Funds are not subject to certain investment restrictions set out in NI 81-102 that restrict the ability of conventional mutual funds (other than alternative mutual funds) to leverage their assets through borrowing, short sales and/or derivatives. Investment decisions may be made for the assets of the Alternative Fund that exceed the net asset value of the Alternative Fund. As a result, if these investment decisions are incorrect, the resulting losses will be more than if investments were made solely in an unleveraged long portfolio as is the case in most conventional equity mutual funds. In addition, leveraged investment strategies can also be expected to increase an Alternative Fund’s turnover, transaction and market impact costs, interest and other costs and expenses.

An Alternative Fund may create leverage through the use of derivatives, short sales and/or borrowing. Under the investment restrictions applicable to alternative mutual funds in NI 81-102, the Alternative Fund’s aggregate gross exposure, calculated as the sum of the following, must not exceed 300% of the Alternative Fund’s NAV: (i) the aggregate value of outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Alternative Fund’s specified derivatives positions excluding any specified derivatives used for hedging purposes. If the Alternative Fund’s aggregate gross exposure exceeds 300% of the Alternative Fund’s NAV, the Alternative Fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to 300% of the Alternative Fund’s NAV or less.

### Description of Securities

This section tells you the specific Class of units offered by a Fund. Also see “Description of Units Offered by the Funds” on page 58 of this Simplified Prospectus for more information.

### Distribution Policy

This section tells you how often the Fund pays out distributions of income and capital gains or a return of capital and how they are paid. Distributions on mutual fund units are reinvested in additional mutual fund units of the same Class of the Fund unless you tell your dealer to inform us that you want them in cash. Distributions are not guaranteed and may change from time to time at our discretion. See “Income Tax Considerations for Unitholders” starting on page 30 for more information.

### What are the Risks of Investing in this Fund?

This section sets out the risks of investing in each Fund. You will find details about what each risk means under “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?” beginning on page 35.

### Additional information - Past performance and financial highlights

You can find more information, including past performance and financial highlights, in the annual and interim management reports of fund performance for each fund, when available. For a copy of these documents, at no cost, call us toll free at 1-877-860-1080, by emailing us at [info@nextedgecapital.com](mailto:info@nextedgecapital.com) or by contacting your Dealer.

## ***NEXT EDGE BIOTECH AND LIFE SCIENCES OPPORTUNITIES FUND***

### **FUND DETAILS**

|                              |                                                             |
|------------------------------|-------------------------------------------------------------|
| Type of Fund                 | Biotechnology and Healthcare Fund - Alternative mutual fund |
| Registered Plan Eligibility: | Eligible for Registered Plans                               |

### **WHAT DOES THE FUND INVEST IN?**

#### ***Investment Objective***

The Fund seeks short and long-term capital appreciation through the ownership of biotechnology and life sciences companies. Investments by the Fund may be made globally.

The Fund may use leverage through the use of cash borrowings, short sales and derivatives. If used, the aggregate amount of cash borrowing and the market value of the securities sold short will not exceed 50% of the Fund's net asset value, and the aggregate amount of cash borrowing, the market value of the securities sold short and the notional amount of derivatives used for non-hedging purposes will not exceed 300% of the Fund's net asset value.

The Fund 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 achieve the Fund's objective:

- Holdings will be comprised of a mix of biotechnology and life sciences companies.
- Sector exposure will include biotechnology, Speciality Pharma, Medical Devices, Medical Software and Technology, Diagnostics, Drug Delivery, Bioinformatics and Agricultural, Healthcare Services and Telehealth Services.
- Derivatives may be used for hedging purposes, to generate income 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 to generate income and provide return enhancement.

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 also sell short certain securities in accordance with NI 81-102. Short selling will be used selectively and opportunistically. To do this, the Fund borrows the securities it is selling short, and is under an obligation to return the borrowed securities to the lender at a future date. The Fund is required to pay the lender any distribution declared on the borrowed securities, together with any securities borrowing fees. To return the borrowed securities, the Fund purchases these same securities at a later date, with the result that the Fund will generally make a gain on the short sale if the price of the securities has declined by such date. The short selling activities of the Fund are subject to the limitations set out in NI 81-102 (and as such requirements are applicable to alternative mutual funds).

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

As the Fund is considered an “alternative mutual fund” within the meaning of NI 81-102, as noted, it may use strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

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.

## **DESCRIPTION OF SECURITIES OFFERED BY THE FUND**

The Fund offers, Class A Units, Class A1 Units (formerly referred to as Class A units), Class F Units and Class F1 Units (formerly referred to as Class F units). These securities are units of a mutual fund trust.

**As noted, Class A1 Units and Class F1 Units are currently capped to new purchases. New purchases of such Classes may again become available at the discretion of the Manager.**

Please see “Description of Units Offered by the Funds” for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 46.

## **DISTRIBUTION POLICY**

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

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

The following information applies to all Classes of Units of the Fund, as applicable:

- Class A1 Units and Class F1 Units of the Fund are capped to new investments.
- The record date for a dividend or distribution is the Valuation Day prior to the payment date.
- All distributions by the Fund to its Unitholders will be automatically reinvested in additional Units of the same Class of the Fund. You may, by written request, elect to receive cash payment by electronic transfer to your bank account, however the Manager may, in respect of certain distributions and/or dividends, cause any such cash payment to be automatically reinvested in additional Units of the same Class of the Fund. Cash distributions are not available for Registered Plans. The Manager reserves the right to change this policy and may elect to have distributions paid in cash.
- Units acquired through the reinvestment of dividends or distributions are not subject to any sales charges.
- As the Fund may dispose of some of its portfolio each year, the amount of dividends or distributions may be material.

#### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

See “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund” on page 35 for a full discussion of the risks associated with investing in mutual funds generally and the following risks which apply to this Fund in particular.

The direct and indirect risks of investing in the Fund include:

- Biotechnology Industry Risk
- Borrowing Risk
- Counterparty Risk
- Credit Risk
- Cybersecurity Risk
- Derivatives Risk
- Equity Securities Risk
- Exchange of Tax Information Risk

- Foreign Currency Risk
- Foreign Securities Risk`
- Interest Rate Risk
- Legislation and Litigation Risk
- Leverage Risk
- Liquidity Risk
- Multiple Class Risk
- Options Risk
- Price Volatility Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Sector Risk
- Short Selling Risk
- Stock Market Risk
- Substantial Securityholder Risk
- Tax Risk

## ***NEXT EDGE STRATEGIC METALS AND COMMODITIES FUND***

### **FUND DETAILS**

|                              |                                            |
|------------------------------|--------------------------------------------|
| Type of Fund                 | Commodities Fund - Alternative mutual fund |
| Registered Plan Eligibility: | Eligible for Registered Plans              |

### **WHAT DOES THE FUND INVEST IN?**

#### ***Investment Objective***

The Fund seeks to provide long term growth of capital by investing opportunistically and primarily in equity securities of companies involved in the commodity and natural resource industry and those which benefit from technological innovation affecting the materials sector. Investments by the Fund may be made globally.

The Fund may use leverage through the use of cash borrowings, short sales and derivatives. If used, the aggregate amount of cash borrowing and the market value of the securities sold short will not exceed 50% of the Fund's net asset value, and the aggregate amount of cash borrowing, the market value of the securities sold short and the notional amount of derivatives used for non-hedging purposes will not exceed 300% of the Fund's net asset value.

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

#### ***Investment Strategies***

The Fund seeks to achieve its investment objective by investing in issuers globally that are poised to benefit from two main factors:

- 1) Supply constraints based on years of underinvestment; and/or
- 2) Multiple increasing drivers of demand

In view of the Portfolio Manager, the combination of inflation risks, capital scarcity across commodity sectors and the Green Revolution through the widespread use of technology toward alternative energy sources makes commodities a very compelling long-term investment opportunity.

Based on our analysis in the commodity space, several sectors such as mining and integrated oil and gas are among the most capital-scarce sectors globally. Underinvestment in supply means these sectors will not be able to respond to the strong recovery in demand we should see this year as the world emerges from this global pandemic.

A boom in technologies and a shift to cleaner energy could also accelerate demand based on the emerging "Megatrend for Commodities" in the years ahead.

Some examples of these technologies include:

- Electric Vehicles

- Smart Devices
- Grid-scale Energy Producers and Storage
- Artificial Intelligence

A boom in such technologies could accelerate demand amongst companies who produce commodities used in the production of these technologies and along their infrastructure/supply chain.

In anticipation of a continued upswing in commodities, the Fund's strategy will seek value opportunities across various subsectors including gold/silver, diversified mining, oil and gas, rare earth metals, battery metals, agriculture and forestry and any other beneficiary of the ongoing carbon transition given its demand for raw materials and components in solar panels, wind turbines, electric vehicles and batteries.

Investment decisions are made by:

- Focusing on companies which have a principal business of natural resource exploration and development; servicing or assisting in the exploration and development of natural resources; mineral exploration and development and; servicing or assisting in the exploration of mineral assets.
- The Fund is managed with a long bias, but incremental strategies could be employed, in certain circumstances, to protect the portfolio and safeguard Unitholder capital.
- Collectively hedging to reduce the volatility and to generate income and provide return enhancement.

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. The Fund may utilize currency hedging to minimize the foreign currency risk associated with holding foreign securities. 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 also sell short certain securities in accordance with NI 81-102. Short selling will be used selectively and opportunistically. To do this, the Fund borrows the securities it is selling short, and is under an obligation to return the borrowed securities to the lender at a future date. The Fund is required to pay the lender any distribution declared on the borrowed securities, together with any securities borrowing fees. To return the borrowed securities, the Fund purchases these same securities at a later date, with the result that the Fund will generally make a gain on the short sale if the price of the securities has declined by such date. The short selling activities of the Fund are subject to the limitations set out in NI 81-102 (and as such requirements are applicable to alternative mutual funds).

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

As the Fund is considered an "alternative mutual fund" within the meaning of NI 81-102, as noted, it may use strategies generally prohibited to be used by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer, the ability to invest in physical commodities or specified derivatives, to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage.

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.

## **DESCRIPTION OF SECURITIES OFFERED BY THE FUND**

The Fund offers, Class A Units, Class F Units and I Units. These securities are units of a mutual fund trust.

Please see “Description of Units Offered by the Funds” for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 46.

## **DISTRIBUTION POLICY**

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

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

The following information applies to all Classes of Units of the Fund, as applicable:

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

- As the Fund may dispose of some of its portfolio each year, the amount of dividends or distributions may be material.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

See “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund” on page 59 for a full discussion of the risks associated with investing in mutual funds generally and the following risks which apply to this Fund in particular.

The direct and indirect risks of investing in the Fund include:

- Commodity Sector Risk
- Borrowing Risk
- Counterparty Risk
- Credit Risk
- Cybersecurity Risk
- Derivatives Risk
- Equity Securities Risk
- Exchange of Tax Information Risk
- Foreign Currency Risk
- Foreign Securities Risk
- Interest Rate Risk
- Legislation and Litigation Risk
- Leverage Risk
- Liquidity Risk
- Multiple Class Risk
- Options Risk
- Price Volatility Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk
- Sector Risk
- Short Selling Risk

- Stock Market Risk
- Substantial Securityholder Risk
- Tax Risk

## **VERITAS NEXT EDGE PREMIUM YIELD FUND**

### **FUND DETAILS**

|                              |                                           |
|------------------------------|-------------------------------------------|
| Type of Fund                 | Canadian Equity Income Fund - mutual fund |
| Registered Plan Eligibility: | Eligible for Registered Plans             |

### **WHAT DOES THE FUND INVEST IN?**

#### ***Investment Objective***

The Fund seeks to provide long term growth of capital and income by investing primarily in equity securities of Canadian issuers and to provide monthly cash distributions. The Fund will engage in covered option writing strategies to enhance the yield of the Fund's investment portfolio.

The investment objective of the Fund will not be changed without the approval of a majority of Unitholders.

#### ***Investment Strategies***

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of securities selected by Veritas, which is based upon independent equity research provided by its affiliate, Veritas Investment Research Corporation (referred to as the "**Veritas Portfolio**").

Next Edge has retained Veritas as sub-advisor to the Fund in order to provide recommendations on the construction of the Fund Portfolio (as defined below). Next Edge is ultimately responsible, however, for all final decisions in respect of security selections for the Fund. Next Edge will utilize the Veritas Portfolio to select issuers for investment in by the Fund (the "**Fund Portfolio**"). For investment purposes, equity securities are considered to include common shares and convertible securities of corporations along with other equity-like securities. Next Edge will review the Veritas Portfolio regularly and changes to the Fund Portfolio may be made with such frequency as Next Edge determines in its sole and absolute discretion, but at a minimum on a quarterly basis.

The securities held in the Fund Portfolio and those comprising the Veritas Portfolio may differ from time to time due to a number of factors including, but not limited to, allocations, cash flows, asset size and the timing of purchases and redemptions Units of the Fund relative to the changes to the Veritas Portfolio. As well, Next Edge will take into account tax, regulatory, income generation and other considerations when making investment decisions on behalf of the Fund and may deviate from the composition of the Veritas Portfolio as a result. Lastly, the Fund may not be fully invested at all times and may hold short term debt instruments, cash or cash equivalents in respect of its cash positions.

Next Edge and Veritas have entered into a sub-advisory agreement pursuant to which Veritas will provide securities recommendations to Next Edge based on the Veritas Portfolio as the same may be updated from time to time but, at minimum on a quarterly basis, no later than the last trading day of each calendar quarter to assist Next Edge in making its investment selections in relation to the Fund Portfolio.

The Fund Portfolio will be rebalanced at a minimum quarterly, no later than the last trading day of each calendar quarter, to an equal weighting of all Fund Portfolio investments. From time to time, Next Edge may use covered option writing strategies on the securities in the Fund Portfolio to generate additional income and reduce risk in the Fund Portfolio. Such option writing shall not exceed 30% of the Fund's Net Asset Value at any time.

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. The Fund may utilize currency hedging to minimize the foreign currency risk associated with holding foreign securities. 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 enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities.

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

## **DESCRIPTION OF SECURITIES OFFERED BY THE FUND**

The Fund offers, Class A Units, Class F Units and I Units. These securities are units of a mutual fund trust.

Please see “Description of Units Offered by the Funds” for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 46.

## **DISTRIBUTION POLICY**

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

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

The following information applies to all Classes of Units of the Fund, as applicable:

- The record date for a dividend or distribution is the Valuation Day prior to the payment date.
- All Special Distributions by the Fund to its Unitholders will be automatically reinvested in additional Units of the same Class of the Fund. You may, by written request, elect to

receive cash payment by electronic transfer to your bank account, however Next Edge may, in respect of certain Special Distributions and/or dividends, cause any such cash payment to be automatically reinvested in additional Units of the same Class of the Fund. Next Edge reserves the right to change this policy, and may elect to have Special Distributions paid in cash.

- Units acquired through the reinvestment of dividends or distributions are not subject to any sales charges.
- As the Fund may dispose of some of the Fund Portfolio each year, the amount of dividends or distributions may be material.

## **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

See “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund” on page 35 for a full discussion of the risks associated with investing in mutual funds generally and the following risks which apply to this Fund in particular.

The direct and indirect risks of investing in the Fund include:

- Concentration Risk
- Counterparty Risk
- Credit Risk
- Cybersecurity Risk
- Derivatives Risk
- Equity Securities Risk
- Exchange of Tax Information Risk
- Foreign Currency Risk
- Foreign Securities Risk
- Interest Rate Risk
- Legislation and Litigation Risk
- Liquidity Risk
- Multiple Class Risk
- Options Risk
- Price Volatility Risk
- Repurchase and Reverse Repurchase Transactions and Securities Lending Risk

- Stock Market Risk
- Substantial Securityholder Risk
- Tax Risk



## **NEXT EDGE MUTUAL FUNDS**

### **NEXT EDGE BIOTECH AND LIFE SCIENCES OPPORTUNITIES FUND NEXT EDGE STRATEGIC METALS AND COMMODITIES FUND VERITAS NEXT EDGE PREMIUM YIELD FUND**

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

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

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Next Edge designated website at [www.nextedgecapital.com](http://www.nextedgecapital.com) or are available at the website of SEDAR+ (the System for Electronic Document Analysis and Retrieval) at [www.sedarplus.ca](http://www.sedarplus.ca).

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