



# **NEWGEN ALTERNATIVE INCOME FUND**

## **MANAGEMENT REPORT OF FUND PERFORMANCE**

For the year ended December 31, 2024

NewGen Asset Management Limited.  
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# **NEWGEN ALTERNATIVE INCOME FUND**

## **MANAGEMENT REPORT OF FUND PERFORMANCE**

Financial Highlights – December 31, 2024

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This annual Management Report of Fund Performance (“MRFP”) contains financial highlights but does not contain the Fund’s complete annual Financial Statements. You can obtain a free copy of the Financial Statements by calling 1-833-563-9436, writing to NewGen Asset Management Limited, Commerce Court North., Suite 2900, 25 King Street West, PO Box 405, Toronto, ON, M5L1G3 or by visiting our website at [www.newgenfunds.com](http://www.newgenfunds.com) or visiting SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

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

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

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### Forward-Looking Statements (“FLS”)

The Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of one of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including the Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This Management Report of Fund Performance represents the portfolio management team’s view of the significant factors and developments affecting the investment fund’s performance and outlook for the year ended December 31, 2024. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Fund’s Simplified Prospectus (“Prospectus”) and the audited financial statements. In this report, “Manager”, refers to NewGen Asset Management Limited, the Manager of the Fund. The “Fund” refers to the NewGen Alternative Income Fund. In addition, “net asset value” or “NAV” refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars or in thousands of Canadian dollars, unless otherwise indicated.

### Investment Objective and Strategies

The Fund's principal investment objective is to provide investors with a combination of steady long-term capital appreciation and a stable stream of income. The Manager will place a strong emphasis on risk management and defensive market positioning in order to reduce beta (i.e., systemic risk) and preserve capital in adverse market conditions. As a result, the objective is to deliver a unique return profile that has a low correlation and low volatility when compared to traditional equity market indices. The Fund may use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage permitted under applicable securities legislation.

The Fund invests both long and short in an actively managed diversified portfolio of predominantly Canadian securities (equities, fixed income, preferred shares, warrants, SPACs and options). It employs a broad range of strategies including fundamental long/short, opportunistic long/short, pairs trading, hedging and option strategies. The employs disciplined risk management and defensive market positioning in order to reduce market Beta and preserve capital in adverse market conditions.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

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### Risk

The Fund is suitable for someone who is looking for steady long-term capital appreciation and a stable stream of income in a diversified portfolio of investments to hold as part of their balanced portfolio and has a medium to longer term investment horizon.

General risks of an investment in the Fund are detailed in the simplified prospectus and include arbitrage risk, concentration risk, convertible securities risk, credit risk, currency risk, derivatives risk, large transaction risk, leverage risk, interest rate risk, legislation risk, market risk, multiple classes risk, cyber security risk, Coronavirus pandemic risk, among others.

There were no significant changes to the investment objectives and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remains as discussed in the simplified prospectus.

#### *Terrorism, War, Natural Disaster and Epidemic Risk*

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) can lead to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as wide-spread disease and virus epidemics, can be highly disruptive to economies and markets into the medium term, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors impacting the value of the Funds' investments.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

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### Results of Operations

During the year ended December 31, 2024, Class F units returned 22.14%, Class F (USD) units returned 22.62%, Class G units returned 21.33%, Class G (USD) units returned 20.94% and Class I units returned 27.64%, after fees and including distributions. By comparison, the S&P/TSX Composite Index was up by 21.65%, on a total return basis. It is important to note that the Fund's return reflects the effect of fees and expenses for professional management and it comprises both long and short positions, while the S&P/TSX Composite Index does not have such costs and is fully invested.

The net asset value (NAV) of the Fund decreased by \$34.8 million to \$244.5 million from December 31, 2023 to December 31, 2024, with the main changes to equity derived through a combination of \$66.5 million in net outflows, \$16.6 million in distributions and \$48.3 million in net gain.

2024 was a robust year for equities. Major indices in the US produced back-to-back double-digit returns, while the TSX finished +18%, its highest annual return in the last three years. Prevailing trends throughout the year saw fears regarding the state of the consumer, elevated interest rates, hot geopolitics, and the Presidential election give way to the bullish narratives of a lower rate path, resilience of the US economy, a boom in the AI mega trend and optimism regarding lower taxes and regulation. Trading activity continued to be volatile throughout the year, as the market digested these various headlines and narratives. Associated economic data had an outsized impact on the market's intraday performance. Breadth across the broader market was elusive as a select group of Big Tech names continued to outperform small and mid caps. In commodities, gold was the standout performer, finishing the year +27%, shy of its all-time highs reached in October '24. Energy and copper were more muted, ending the year +2% and +3%, respectively. Bitcoin's resurgence was notable, posting +124% gains, its second consecutive year of triple digit returns. The TSX's gains for the year were led by Technology (+38%), Financials (+25%), and Materials (+19%), while Communication Services (-27%) was the only sector to finish in the red.

Corporate bonds also posted strong performance on declining rate expectations, resilient economic growth, and improved credit fundamentals. Canadian high-yield debt saw notable spread compression, reflecting improving credit quality and a more stable energy sector, which remains a key component of the Canadian high-yield universe. Energy-related issuers, along with financials, led the performance, as investors sought higher yields amid a moderating inflation environment. While global uncertainties, including geopolitical risks and trade policy shifts, kept some volatility in the credit markets, investor flows into corporate bonds remained strong, particularly in the latter half of the year.

During the year ended December 31, 2024, the Fund did not breach the aggregate gross exposure limit of 300% of the Fund's NAV as prescribed by securities legislation, while the Fund's aggregate gross exposure ranged from 101.4% to 222.1% of the Fund's NAV during such period of time. As at December 31, 2024, the Fund's aggregate gross exposure was 147.2%. The primary source of leverage was short positions in equity securities.

### Recent Developments

Strong performance in equities were bolstered by renewed levels of confidence post US election. However, geopolitical tensions, policy shifts and the looming threat of tariffs remain distinct areas of concern and notable risk. The durability of global economies and their sensitivity to interest rates will be tested in the coming months as we operate in an environment of heightened uncertainty. Coupled with a US stock market that is trading at elevated multiples, investors have begun to look for alternatives, including, global stocks and safe havens like gold, with the latter reaching all-time highs in the early part of 2025. Artificial Intelligence continues to be a dominant mega-trend in the market, with evolving narratives regarding its required energy and capital intensity. We continue to see opportunities within the Canadian market, given its large exposure to commodities, along with its reasonable earnings yield and a valuation that comes at a steep discount compared to its US peers.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

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### Related Party Transactions

#### Management fees:

As a result of providing investment and management services, the Manager receives a management fee calculated and accrued daily based on the NAV of the class of units of the Fund, plus applicable taxes, payable on the last day of each calendar month. For the year ended December 31, 2024, the Fund incurred management fees of \$3,041,128 plus applicable taxes. Management fees, if any, in respect of Class I units are direct fees negotiated with the investor.

The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund's shares, investment advice, as well as general administrative expenses relating to the Manager's role as Manager.

The following is a breakdown:

Class of Units	Annual Rates	As a Percentage of Management Fees	
		Dealer Compensation	General Administration and Investment Advice
Class F units	1.00%	0.0%	100.0%
Class F (USD) units	1.00%	0.0%	100.0%
Class G units	2.00%	50.0%	50.0%
Class G (USD) units	2.00%	50.0%	50.0%
Class I units	Negotiable*	0.0%	100.0%

\*Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class G units of the Fund.

#### Performance fees:

The Manager receives a performance fee in respect of each class of units of the Fund. The Fund will pay the Manager a performance fee each calendar quarter (a "Performance Fee Determination Period") equal to 15% of the Net Profit (as defined below) of each applicable class of units subject to the High Watermark (as defined below). The performance fee will be calculated and accrued for each class on a daily basis during each Performance Fee Determination Period and, with respect to an intra-quarter redemption of units of a class, on the relevant redemption date. For the year ended December 31, 2024, the total performance fees incurred were \$9,259,227.

Net Profit means, in respect of any class of units of the Fund for any Valuation Day, the positive amount (if any) calculated by deducting the NAV per unit of the class for that Valuation Day from the highest NAV per unit in respect of which a performance fee liability has previously arisen (the "High Watermark") (or the initial offering price of the units if no performance fee liability has previously arisen in respect of such class of units). The performance fee will be determined by multiplying the amount of Net Profit by the total number of the units of such class outstanding at the close of business on such Valuation Day.

No performance fee shall be paid in respect of a class unless the class NAV per unit exceeds the High Watermark and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.

Investors in Class I units may negotiate a performance fee to be paid by the investor that is different than the one described above or no performance fee at all.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

### Financial Highlights

The following tables show selected key financial information about the Class F, Class F (USD), Class G, Class G (USD) and Class I units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the past year and four previous periods.

The Fund's Net Asset Value (NAV) per Class F Unit (1)	2024	2023	2022	2021	2020
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$10.74</b>	<b>\$11.37</b>	<b>\$12.07</b>	<b>\$11.54</b>	<b>\$10.52</b>
<b>Increase (decrease) from operations</b>					
Total revenue	1.25	0.99	0.87	1.03	0.94
Total expenses	(0.69)	(0.24)	(0.21)	(0.51)	(0.54)
Realized gain (loss) for the year	(0.02)	(0.32)	(0.11)	(0.03)	(0.35)
Unrealized gain (loss) for the year	1.67	(0.35)	(0.63)	0.41	1.36
<b>Total increase (decrease) from operations (2)</b>	<b>2.21</b>	<b>0.08</b>	<b>(0.08)</b>	<b>0.90</b>	<b>1.41</b>
<b>Distributions:</b>					
From net income (excluding dividends)	0.31	(0.42)	(0.75)	(0.51)	(0.41)
From dividends	0.46	(0.31)	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total Annual Distributions (2) (3)</b>	<b>0.77</b>	<b>(0.73)</b>	<b>(0.75)</b>	<b>(0.51)</b>	<b>(0.41)</b>
<b>Net assets attributable to holders of redeemable units, end of year (2)</b>	<b>12.25</b>	<b>10.74</b>	<b>11.37</b>	<b>12.07</b>	<b>11.54</b>
<b>Ratios and Supplemental Data</b>					
Total Net Asset Value (4)	\$ 205,533,744	\$ 237,185,045	\$ 358,698,141	\$ 348,354,902	\$ 163,175,195
Number of units outstanding (4)	16,777,724	22,080,711	31,537,873	28,854,145	14,142,812
Management expense ratio (including performance fees) (5)	5.25%	1.37%	1.48%	2.82%	4.38%
Management expense ratio (excluding performance fees) (5)	1.41%	1.31%	1.27%	1.36%	1.55%
Trading expense ratio (6)	1.57%	0.77%	0.44%	1.76%	1.68%
Portfolio turnover rate (7)	1387.86%	576.11%	180.04%	337.31%	735.99%
<b>Net Asset Value per Unit</b>	<b>12.25</b>	<b>10.74</b>	<b>11.37</b>	<b>12.07</b>	<b>11.54</b>

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

The Fund's Net Asset Value (NAV) per Class F (USD) Unit (1)	2024	2023	2022	2021
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$11.66</b>	<b>\$12.64</b>	<b>\$12.47</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations</b>				
Total revenue	1.44	1.10	0.90	1.14
Total expenses	(0.78)	(0.27)	(0.22)	(0.41)
Realized gain (loss) for the year	0.76	(0.51)	0.70	0.32
Unrealized gain (loss) for the year	2.10	(0.41)	(0.56)	(0.27)
<b>Total increase (decrease) from operations (2)</b>	<b>3.52</b>	<b>(0.09)</b>	<b>0.82</b>	<b>0.78</b>
<b>Distributions:</b>				
From net income (excluding dividends)	0.32	(0.47)	(0.76)	(0.67)
From dividends	0.56	(0.34)	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
<b>Total Annual Distributions (2) (3)</b>	<b>0.88</b>	<b>(0.81)</b>	<b>(0.76)</b>	<b>(0.67)</b>
<b>Net assets attributable to holders of redeemable units, end of year (2)</b>	<b>14.53</b>	<b>11.66</b>	<b>12.64</b>	<b>12.47</b>
<b>Ratios and Supplemental Data</b>				
Total Net Asset Value (4)	\$ 4,345,092	\$ 5,540,785	\$ 11,354,207	\$ 8,537,112
Number of units outstanding (4)	299,116	475,096	898,339	684,802
Management expense ratio (including performance fees) (5)	5.31%	1.43%	1.45%	2.12%
Management expense ratio (excluding performance fees) (5)	1.42%	1.32%	1.29%	1.37%
Trading expense ratio (6)	1.57%	0.77%	0.44%	1.76%
Portfolio turnover rate (7)	1387.86%	576.11%	180.04%	337.31%
<b>Net Asset Value per Unit</b>	<b>14.53</b>	<b>11.66</b>	<b>12.64</b>	<b>12.47</b>



# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

The Fund's Net Asset Value (NAV) per Class G Unit (1)	2024	2023	2022	2021	2020
Net assets attributable to holders of redeemable units, beginning of year	\$10.36	\$10.90	\$11.63	\$11.12	\$10.09
<b>Increase (decrease) from operations</b>					
Total revenue	1.21	0.94	0.87	0.97	0.88
Total expenses	(0.75)	(0.34)	(0.32)	(0.61)	(0.59)
Realized gain (loss) for the year	-	(0.29)	(0.13)	(0.02)	(0.28)
Unrealized gain (loss) for the year	1.64	(0.30)	(0.65)	0.48	1.35
<b>Total increase (decrease) from operations (2)</b>	2.10	0.01	(0.23)	0.82	1.35
<b>Distributions:</b>					
From net income (excluding dividends)	0.25	(0.28)	(0.63)	(0.37)	(0.26)
From dividends	0.44	(0.29)	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total Annual Distributions (2) (3)</b>	0.69	(0.57)	(0.63)	(0.37)	(0.26)
<b>Net assets attributable to holders of redeemable units, end of year (2)</b>	<b>11.81</b>	<b>10.36</b>	<b>10.90</b>	<b>11.63</b>	<b>11.12</b>
<b>Ratios and Supplemental Data</b>					
Total Net Asset Value (4)	\$ 32,768,255	\$ 35,337,618	\$ 39,238,885	\$ 47,010,794	\$ 27,235,259
Number of units outstanding (4)	2,775,187	3,410,746	3,600,352	4,042,056	2,449,899
Management expense ratio (including performance fees) (5)	5.96%	2.42%	2.54%	3.86%	5.13%
Management expense ratio (excluding performance fees) (5)	2.51%	2.42%	2.37%	2.46%	2.65%
Trading expense ratio (6)	1.57%	0.77%	0.44%	1.76%	1.68%
Portfolio turnover rate (7)	1387.86%	576.11%	180.04%	337.31%	735.99%
<b>Net Asset Value per Unit</b>	<b>11.81</b>	<b>10.36</b>	<b>10.90</b>	<b>11.63</b>	<b>11.12</b>

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

The Fund's Net Asset Value (NAV) per Class G (USD) Unit (1)	2024	2023	2022	2021
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>\$11.28</b>	<b>\$12.04</b>	<b>\$12.62</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations</b>				
Total revenue	1.49	1.02	1.09	0.89
Total expenses	(1.05)	(0.38)	(0.35)	(0.36)
Realized gain (loss) for the year	1.02	(0.41)	0.11	0.60
Unrealized gain (loss) for the year	2.74	(0.28)	(0.45)	(1.13)
<b>Total increase (decrease) from operations (2)</b>	<b>4.20</b>	<b>(0.05)</b>	<b>0.40</b>	<b>-</b>
<b>Distributions:</b>				
From net income (excluding dividends)	0.38	(0.30)	(0.84)	(0.39)
From dividends	0.46	(0.29)	-	-
From capital gains	-	-	-	-
Return of capital	-	-	-	-
<b>Total Annual Distributions (2) (3)</b>	<b>0.84</b>	<b>(0.59)</b>	<b>(0.84)</b>	<b>(0.39)</b>
<b>Net assets attributable to holders of redeemable units, end of year (2)</b>	<b>14.08</b>	<b>11.28</b>	<b>12.04</b>	<b>12.62</b>
<b>Ratios and Supplemental Data</b>				
Total Net Asset Value (4)	\$ 571,410	\$ 148,012	\$ 298,319	\$ 1,008,693
Number of units outstanding (4)	40,593	13,121	24,775	79,952
Management expense ratio (including performance fees) (5)	7.32%	2.46%	2.41%	2.74%
Management expense ratio (excluding performance fees) (5)	2.59%	2.46%	2.41%	2.55%
Trading expense ratio (6)	1.57%	0.77%	0.44%	1.76%
Portfolio turnover rate (7)	1387.86%	576.11%	180.04%	337.31%
<b>Net Asset Value per Unit</b>	<b>14.08</b>	<b>11.28</b>	<b>12.04</b>	<b>12.62</b>

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2024

The Fund's Net Asset Value (NAV) per Class I Unit (1)	2024	2023	2022	2021	2020
Net assets attributable to holders of redeemable units, beginning of year	\$11.51	\$12.11	\$12.85	\$12.23	\$10.80
<b>Increase (decrease) from operations</b>					
Total revenue	1.40	1.04	0.93	1.19	0.87
Total expenses	(0.15)	(0.12)	(0.06)	(0.23)	(0.12)
Realized gain (loss) for the year	0.04	(0.26)	(0.12)	(0.07)	(0.36)
Unrealized gain (loss) for the year	1.85	(0.32)	(0.67)	0.29	1.25
<b>Total increase (decrease) from operations (2)</b>	<b>3.14</b>	<b>0.34</b>	<b>0.08</b>	<b>1.18</b>	<b>1.64</b>
<b>Distributions:</b>					
From net income (excluding dividends)	0.81	(0.58)	(0.97)	(0.94)	(0.41)
From dividends	0.49	(0.31)	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total Annual Distributions (2) (3)</b>	<b>1.30</b>	<b>(0.89)</b>	<b>(0.97)</b>	<b>(0.94)</b>	<b>(0.41)</b>
<b>Net assets attributable to holders of redeemable units, end of year (2)</b>	<b>13.36</b>	<b>11.51</b>	<b>12.11</b>	<b>12.85</b>	<b>12.23</b>
<b>Ratios and Supplemental Data</b>					
Total Net Asset Value (4)	\$ 1,258,951	\$ 1,065,295	\$ 1,411,765	\$ 1,290,594	\$ 181,618
Number of units outstanding (4)	94,241	92,533	116,611	100,465	14,852
Management expense ratio (including performance fees) (5)	0.31%	0.22%	0.17%	0.25%	0.44%
Management expense ratio (excluding performance fees) (5)	0.31%	0.22%	0.17%	0.25%	0.44%
Trading expense ratio (6)	1.57%	0.77%	0.44%	1.76%	1.68%
Portfolio turnover rate (7)	1387.86%	576.11%	180.04%	337.31%	735.99%
<b>Net Asset Value per Unit</b>	<b>13.36</b>	<b>11.51</b>	<b>12.11</b>	<b>12.85</b>	<b>12.23</b>

### Notes:

- (1) This information is derived from the Fund's financial statements for December 31, 2024, December 31, 2023, December 31, 2022 and December 31, 2021 for Class F (USD), Class G (USD) and from the financial statements for December 31, 2024, December 31, 2023, December 31, 2022, December 31, 2021 and December 31, 2020 for Class F, Class G and Class I and is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/(decrease) from operations is based on the weighted average number of units outstanding over the financial year.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.
- (4) This information is provided as at December 31, of the years shown, as applicable.
- (5) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average NAV during the year.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the year. Included in the trading expense ratio are the forward fees.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the investments in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in the year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Financial Highlights - December 31, 2024

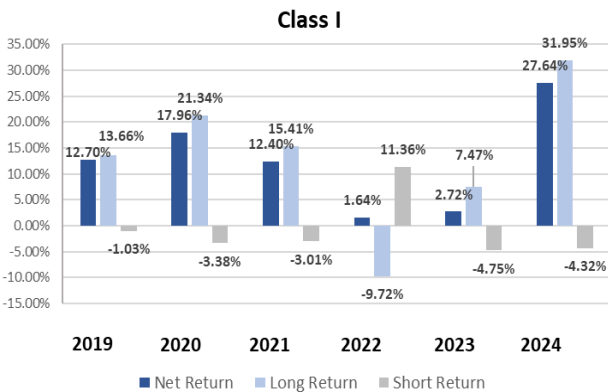
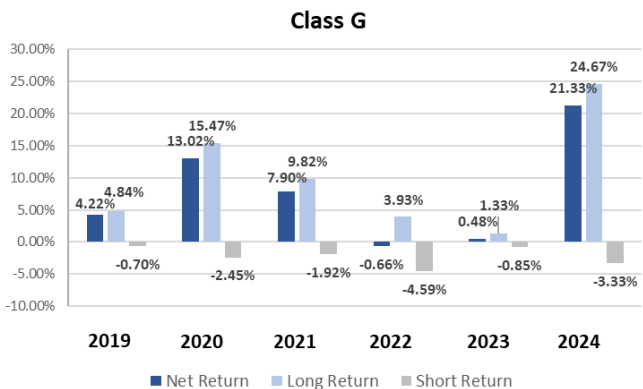
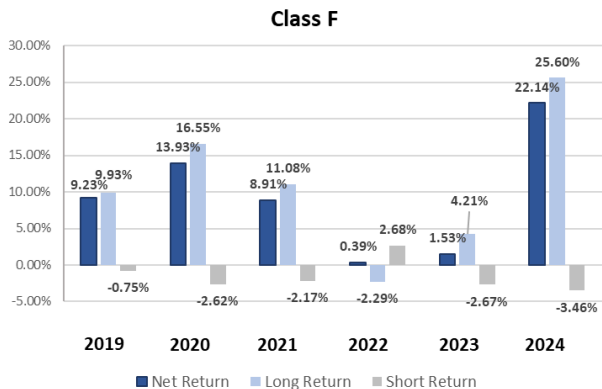
#### Past performance of the Fund

The following bar charts present the performance of each class of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each period, or on the class inception date, as applicable, would have increased or decreased by the last day of the period presented. The following information shown assumes that all distributions made by the Fund in the period shown were reinvested in additional securities of the investment fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions are shown for each class in addition to the overall total return for each such class.

How the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

#### Year-by-Year Returns

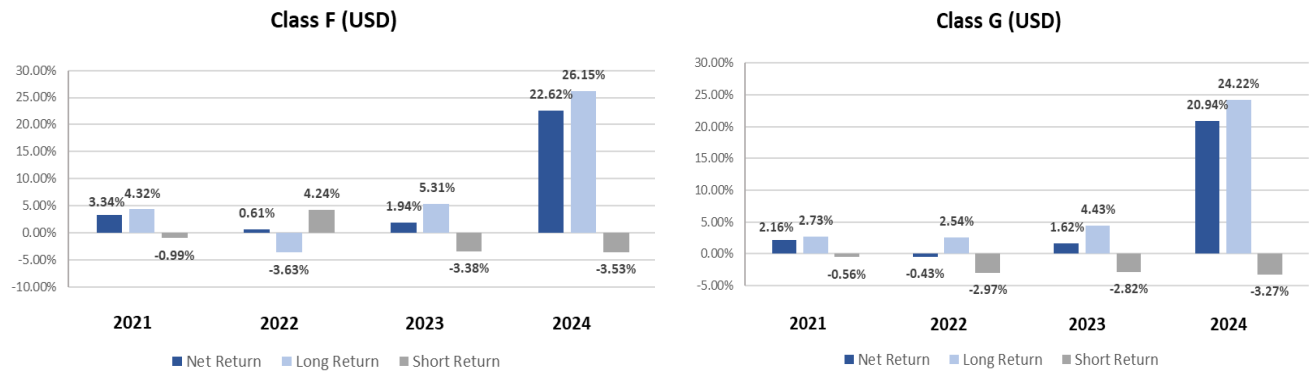
The following charts indicate the performance of each class of the Fund for the periods shown and illustrates how the Fund's performance has changed from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of the financial year.



# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Financial Highlights - December 31, 2024



- Notes:**
1. The inception date for the Class F units, Class G units and Class I units is January 22, 2019.
  2. The inception date for Class F (USD) and Class G (USD) is February 2, 2021. The actual trading of Class F (USD) units and Class G (USD) units commenced on February 19, 2021, and April 26 2021, respectively.
  3. The 2024 returns are for the year ended December 31, 2024.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Financial Highlights - December 31, 2024

#### Annual Compound Returns

The table shows the annual compound total returns for each of the years shown ended December 31, 2024, for each Class of the Fund and the respective long and short portfolio positions as compared to the S&P/TSX Composite Index.

The S&P/TSX Composite Index is a capitalization-weighted index that tracks the performance of about 250 largest and most prominent companies listed on Canada's largest stock exchange, the Toronto Stock Exchange (TSX). It is the equivalent of the S&P 500 market index in the United States.

Compound Returns (1)(2)(3)				
	5 Year	3 Year	1 Year	Since inception
Total Portfolio - Class F units (1)	9.09%	7.58%	22.14%	9.11%
Long portfolio - Class F units	11.05%	9.21%	25.60%	11.37%
Short portfolio - Class F units	-1.96%	-1.63%	-3.46%	-2.26%
Total Portfolio - Class F (USD) units (2)		7.94%	22.62%	6.92%
Long portfolio - Class F (USD) units		9.65%	26.15%	8.58%
Short portfolio - Class F (USD) units		-1.71%	-3.53%	-1.66%
Total Portfolio - Class G units (1)	8.11%	6.59%	21.33%	7.45%
Long portfolio - Class G units	9.87%	8.02%	24.67%	9.31%
Short portfolio - Class G units	-1.75%	-1.42%	-3.33%	-1.85%
Total Portfolio - Class G (USD) units (2)		6.96%	20.94%	6.14%
Long portfolio - Class G (USD) units		8.46%	24.22%	7.51%
Short portfolio - Class G (USD) units		-1.50%	-3.27%	-1.37%
Total Portfolio - Class I units (1)	12.06%	10.04%	27.64%	12.17%
Long portfolio - Class I units	14.66%	12.21%	31.95%	15.19%
Short portfolio - Class I units	-2.61%	-2.17%	-4.32%	-3.02%
S&P/TSX Composite Total Return	11.08%	8.58%	21.65%	11.64%

#### Notes:

- (1) The inception date for the Class F units, Class G units and Class I units is January 22, 2019.
- (2) The inception date for Class F (USD) and Class G (USD) is February 2, 2021. The actual trading of Class F (USD) units and Class G (USD) units commenced on February 19, 2021, and April 26 2021, respectively.
- (3) One year compound return is for most recent completed financial year ended December 31, 2024.

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights - December 31, 2024

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### Summary of Investment Portfolio

The following table shows selected key financial information about the Fund, and is intended to assist in the understanding of the Fund's financial performance for the year ended December 31, 2024.

### Portfolio Composition

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Sector Allocation	% of Net Assets Value
<b>Long Allocations</b>	
Basic Materials	15.33
Communications	1.93
Consumer, Cyclical	8.16
Consumer, Non-cyclical	8.73
Energy	29.64
Financial	20.12
Funds	0.49
Industrial	10.90
Technology	12.01
Utilities	3.21
Cash And Other Net Assets	5.83
<b>Total Long Allocations</b>	<b>116.35</b>
<b>Short Allocations</b>	
Basic Materials	(2.94)
Communications	(1.08)
Consumer, Cyclical	(2.42)
Consumer, Non-cyclical	(3.22)
Energy	(0.06)
Financial	(2.23)
Funds	(0.02)
Government	(0.44)
Industrial	(2.70)
Technology	(0.01)
Utilities	(1.23)
<b>Total Short Allocations</b>	<b>(16.35)</b>
<b>Total Net Assets Value (000's)</b>	<b>\$ 244,477.00</b>

# NEWGEN ALTERNATIVE INCOME FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Financial Highlights - December 31, 2024

#### Top 25 Holdings

Issuer	% of Net Assets Value	Issuer	% of Net Assets Value
<b>Long Positions</b>		<b>Short Positions</b>	
Cash And Other Net Assets	5.83	Loblaw Cos Ltd.	(2.82)
Cineplex Inc. 7.75% 01MAR30	5.01	MTY Food Group Inc.	(1.31)
Calfrac Holdings LP 10.875% 15MAR26	3.51	Algonquin Power & Utilities Corp.	(1.23)
Dye & Durham Ltd.	3.20	IAMGOLD Corp. 5.75% 15OCT28	(1.03)
Topaz Energy Corp.	3.20	Stantec Inc.	(1.02)
MDA Space Ltd.	3.09	Intact Financial Corp.	(1.00)
Methanex Corp.	3.09	Waste Connections Inc.	(0.96)
Alaris Equity Partners Income	3.06	CCL Industries Inc.	(0.72)
Chemtrade Logistics Income Fund	3.04	5N Plus Inc.	(0.68)
Lightspeed Commerce Inc.	3.02	The Bell Telephone Co of Canada or Bell Canada 5.60% 11AUG53	(0.65)
BlackBerry Ltd.	3.01	Richelieu Hardware Ltd.	(0.64)
Power Corp of Canada	2.93	Compass Minerals International Inc. 6.75% 01DEC27	(0.58)
Enbridge Inc.	2.87	Definity Financial Corp.	(0.49)
Bird Construction Inc.	2.81	NFI Group Inc.	(0.47)
Dye & Durham Ltd. 3.75% 01MAR26	2.78	Canadian Government Bond 0.50% 01SEP25	(0.44)
George Weston Ltd.	2.74	Bell Telephone Co of Canada or Bell Canada 5.15% 24AUG34	(0.43)
Capital Power Corp.	2.61	i-80 Gold Corp.	(0.41)
AltaGas Ltd.	2.53	Allied Properties Real Estate Investment Trust 3.113% 08APR27	(0.40)
The North West Co Inc.	2.26	Empire Co., Ltd.	(0.37)
Exchange Income Corp.	2.21	Allied Properties Real Estate Investment Trust 3.095% 06FEB32	(0.35)
Capstone Copper Corp.	2.17	Orla Mining Ltd. Call \$6 19SEP25	(0.25)
Keyera Corp.	2.07	Suncor Energy Inc. Put \$52 17JAN25	(0.04)
Conuma Resources Ltd. 13.125% 01MAY28	2.00	George Weston Ltd Call \$225 17JAN25	(0.03)
PHX Energy Services Corp.	2.00	iShares Silver Trust Put \$26 17JAN25	(0.02)
Headwater Exploration Inc.	2.00	BlackBerry Ltd. Call \$5 17JAN25	(0.01)
<b>Total Long Positions</b>	<b>73.04</b>	<b>Total Short Positions</b>	<b>(16.35)</b>
<b>Total Percentage of Net Assets Value Represented by Holdings</b>		<b>56.69</b>	

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.

The prospectus and other information about the underlying investment funds are available on the internet at [www.sedarplus.com](http://www.sedarplus.com).