



Ninepoint Global Real Estate Fund

July 2021 Commentary

Year-to-date to July 31, the Ninepoint Global Real Estate Fund generated a total return of 19.81% compared to the MSCI World IMI Core Real Estate Index, which generated a total return of 17.38%. For the month, the Fund generated a total return of 6.05% while the Index generated a total return of 4.62%.



Ninepoint Partners,

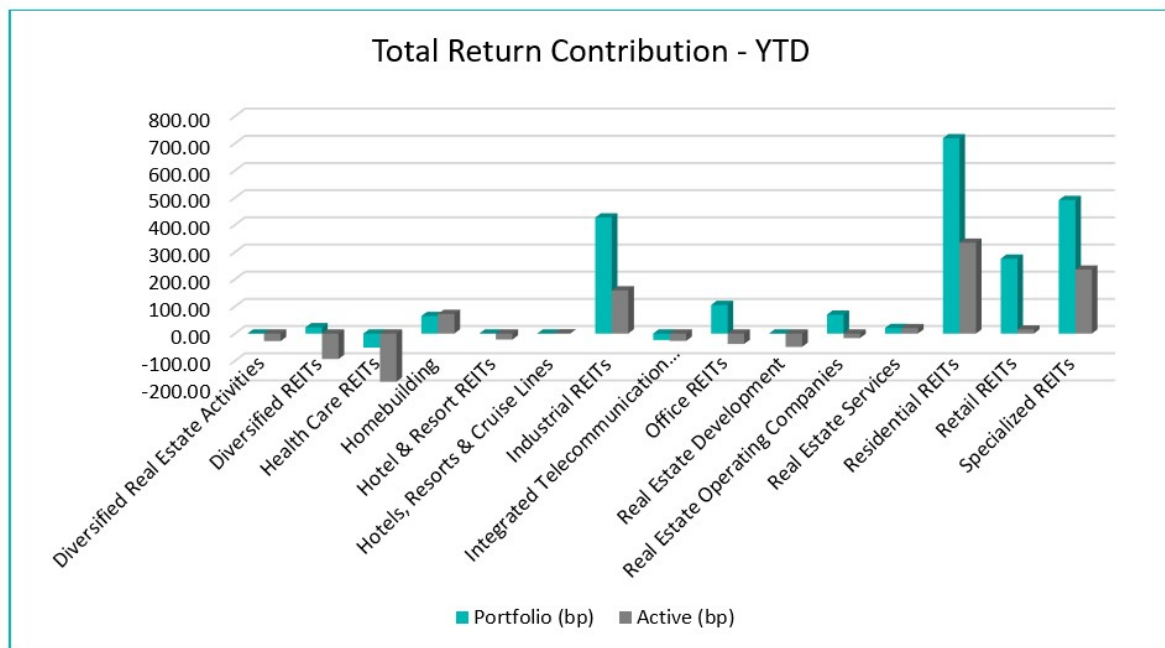
Despite rising fears related to the spread of the Covid-19 Delta variant, there is little evidence to suggest that the economic recovery is fading. According to FactSet, with 89% of the S&P 500 companies having reported actual results, 87% of the companies have reported a positive revenue surprise and 87% of the companies have reported a positive earnings surprise. Thus far, the blended earnings growth rate for the S&P 500 is an astounding 88.8%, which represents the highest year-over-year growth rate since Q4 2009. Admittedly, the exceptional earnings growth is expected to moderate going forward, however consensus estimates still imply 42% earnings growth in 2021 and 10% in 2022. The resiliency relative to the depths of the Covid-19 crisis is frankly remarkable.

Our confidence in the recovery was bolstered by the recent announcement from President Biden that a group of bipartisan Senators had reached an agreement on \$550 billion of new infrastructure spending. Totalling approximately \$1.2 trillion over five years (and financed through a combination of redirected spending, corporate user fees, strengthened tax enforcement and revenue generated from higher economic growth), the bill has just been passed by the Senate and will be moving to the House of Representatives for final approval. Once signed into law, the current tranche of spending is heavily focused on the transportation and utility sectors, with highlights including \$110 billion for roads & bridges, \$66 billion for railways, \$65 billion for power infrastructure, \$65 billion for broadband, \$55 billion for water infrastructure, \$39 billion for public transit, \$25 billion for airports, \$17 billion for ports & waterways and \$15 billion for electric vehicles. These much-needed infrastructure upgrades will create millions of jobs, enhance competitiveness and boost GDP “over the course of the decade”.

Looking ahead, the biggest uncertainty facing the market is still the path of monetary policy normalization. Chairman Powell and other members of the FOMC have clearly indicated that tapering discussions are now appropriate due to increased confidence in the economic recovery. A more formal discussion at the upcoming Jackson Hole Economic Policy Symposium followed by an official tapering announcement during one of the remaining three FOMC meeting dates over the balance of the year should be expected. Perhaps the announcement will coincide with the final approval the infrastructure spending bill in the fall of calendar 2021. Replacing monetary stimulus with fiscal stimulus would act as a buffer, since financial markets have generally experienced elevated volatility leading up to and during periods of tapering and rate hikes. But with policy normalization well-telegraphed, solid investment returns should continue through at least 2023 since we are likely years away from real monetary tightening.

With long-term interest rates still well below 2.0% (the US 10-year Treasury bond yield is currently pinned below 1.50%) and earnings growth of approximately 42% in 2021 and approximately 10% in 2022 (again according to FactSet), earnings multiples can remain elevated relative to historical levels although they will likely trend lower over time. We would therefore characterize the current environment as mid-cycle, where positive investment returns depend on identifying companies with accelerating earnings, cash flow and dividend growth. Essentially, we think this environment bodes well for the relative performance of our dividend and real asset strategies over the medium term.

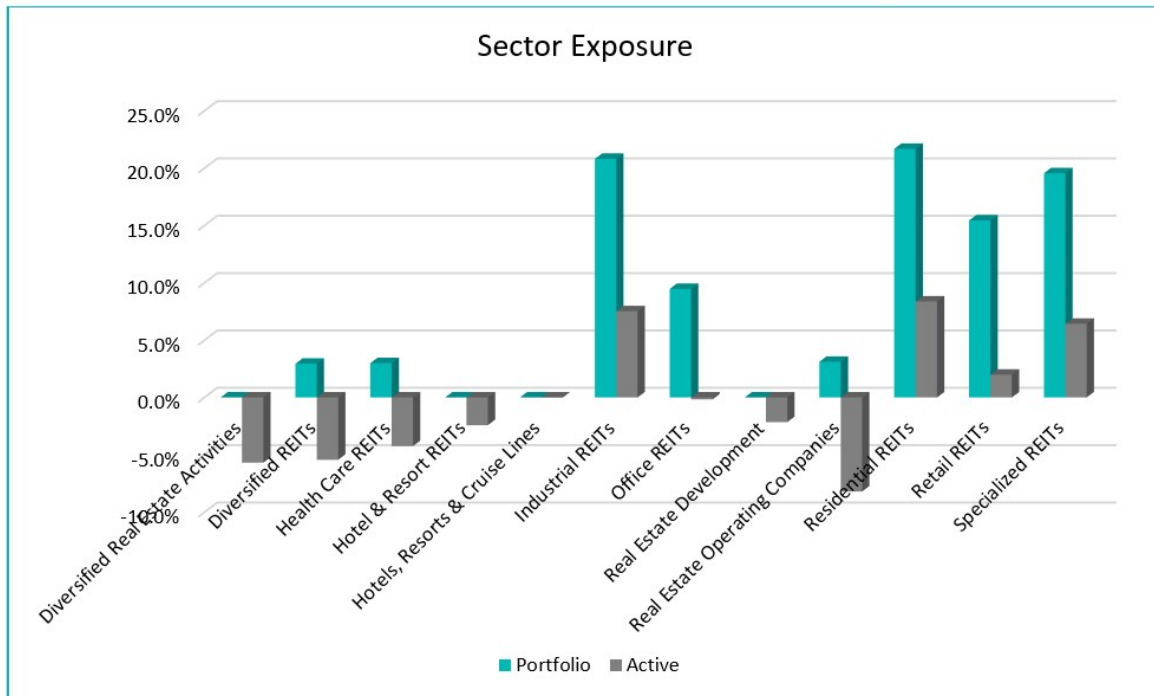
Top contributors to the year-to-date performance of the Ninepoint Global Real Estate Fund by sub-industry included Residential REITs (+719 bps), Specialized REITs (+491 bps) and Industrial REITs (+427 bps) while top detractors by sub-industry included Health Care REITs (-52 bps) and Integrated Telecommunication Services (-23 bps) on an absolute basis.



Source: Ninepoint Partners

On a relative basis, positive return contributions from the Residential REITs (+334 bps), Specialized REITs (+235 bps) and Industrial REITs (+159 bps) sub-industries were offset by negative contributions from the Health Care REITs (-177 bps), Diversified REITs (-96 bps) and Real Estate Development (-49 bps) sub-industries.

We are currently overweight Residential REITs, Industrial REITs and Specialized REITs while underweight Real Estate Operating Companies, Diversified Real Estate Activities and Diversified REITs. We have positioned for the middle phase of the investment cycle, where above-average earnings, cash flow and dividend growth should compensate for some degree of multiple-compression due to rising interest rates.



Source: Ninepoint Partners

The Ninepoint Global Real Estate Fund was concentrated in 30 positions as at July 31, 2021 with the top 10 holdings accounting for approximately 35.8% of the fund. Over the prior fiscal year, 21 out of our 30 holdings have announced a dividend increase, with an average hike of 6.6% (median hike of 4.1%). Using a total real estate approach, we will continue to apply a disciplined investment process, balancing valuation, growth and yield in an effort to generate solid risk-adjusted returns.

Jeffrey Sayer, CFA
 Ninepoint Partners

NINEPOINT GLOBAL REAL ESTATE FUND - COMPOUNDED RETURNS¹ AS OF JULY 31, 2021 (SERIES F NPP 132) | INCEPTION DATE AUGUST 5, 2015

	1M	YTD	3M	6M	1YR	3YR	5YR	INCEPTION
Fund	6.1%	19.8%	10.2%	21.9%	16.8%	10.8%	8.8%	10.6%
Index	4.6%	17.4%	8.5%	17.7%	25.1%	6.30%	4.3%	5.7%

¹All returns and fund details are a) based on Series F units; b) net of fees; c) annualized if period is greater than one year; d) as at July 31, 2021; e) 2015 annual returns are from 08/04/15 to 12/31/15. The index is 100% MSCI World IMI Core Real Estate NR (CAD) and is computed by Ninepoint Partners LP based on publicly available index information

The Fund is generally exposed to the following risks. See the Simplified Prospectus of the Fund for a description of these risks: capital depletion risk, concentration risk, credit risk, currency risk, cybersecurity risk; derivatives risk, emerging markets risk, equity real estate investment trust (REIT) risk, exchange traded funds risk, foreign investment risk, income trust risk, inflation risk, interest rate risk, liquidity risk, market risk, real estate risk, regulatory risk, series risk, short selling risk, specific issuer risk, tax risk.

Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), and other expenses all may be associated with investing in the Funds. Please read the prospectus carefully before investing. The indicated rate of return for series F units of the Fund for the period ended July 31, 2021 is based on the historical annual compounded total return including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.

The opinions, estimates and projections ("information") contained within this report are solely those of Ninepoint Partners LP and are subject to change without notice. Ninepoint Partners makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, Ninepoint Partners assumes no responsibility for any losses or damages, whether direct or indirect, which arise out of the use of this information. Ninepoint Partners is not under any obligation to update or keep current the information contained herein. The information should not be regarded by recipients as a substitute for the exercise of their own judgment. Please contact your own personal advisor on your particular circumstances. Views expressed regarding a particular company, security, industry or market sector should not be considered an indication of trading intent of any investment funds managed by Ninepoint Partners. Any reference to a particular company is for illustrative purposes only and should not be considered as investment advice or a recommendation to buy or sell nor should it be considered as an indication of how the portfolio of any investment fund managed by Ninepoint Partners is or will be invested. Ninepoint Partners and/or its affiliates may collectively beneficially own/control 1% or more of any class of the equity securities of the issuers mentioned in this report. Ninepoint Partners and/or its affiliates may hold short position in any class of the equity securities of the issuers mentioned in this report. During the preceding 12 months, Ninepoint Partners and/or its affiliates may have received remuneration other than normal course investment advisory or trade execution services from the issuers mentioned in this report.

Ninepoint Partners LP: Toll Free: 1.866.299.9906. DEALER SERVICES: CIBC Mellon GSSC Record Keeping Services:
Toll Free: 1.877.358.0540