



# Ninepoint Gold and Precious Minerals Fund

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2019

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The interim management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at [www.ninepoint.com](http://www.ninepoint.com) or SEDAR at [www.sedar.com](http://www.sedar.com) or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. 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.

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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of the Ninepoint Gold and Precious Minerals Fund (the “Fund”) is to provide long-term capital growth. In order to achieve its investment objective, the Fund invests primarily in gold, gold certificates, precious metals and minerals, certificates relating to such metals and minerals and/or in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of gold and other precious metals and minerals.

As part of its investment strategy, the Fund may:

- temporarily invest in cash or cash equivalent securities as a defensive strategy or other reasons;
- invest in gold, silver, palladium and platinum in the forms of bullion, coins and storage receipts and certificates relating to such minerals and metals;
- deviate from NI 81-102 restrictions as it has obtained exemptive relief that permits the Fund to invest more than 10% of its net asset value, taken at the market value at the time of investment, directly in gold bullion or permitted gold certificates;
- engage in short selling in a manner that is consistent with the Fund’s investment objective and as permitted by securities regulations;
- invest in cash or cash equivalent securities as a defensive strategy or for other reasons;
- engage in securities lending as permitted by securities regulations; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies in a manner that is consistent with the Fund’s investment objective and as permitted by securities regulations.

Sprott Asset Management is the subadvisor for the Fund.

### Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors who want exposure to the capital appreciation potential of gold and precious metals and minerals and equity securities of companies that are involved in the exploration, mining, production or distribution of gold and precious metals and minerals. This Fund is suitable for investors with a high tolerance for risk and have a long-term investment horizon.

### Results of Operations and Recent Developments

The Fund, Series A returned 5.7% in the first half of 2019, while its benchmark, the S&P/TSX Global Gold Total Return Index, returned 18.8%.

During the six-month period ended June 30, 2019, there was a slowdown in the global economy, which increased the likelihood of investors purchasing “safe haven” assets like gold. The U.S. Federal Reserve Board paused its interest rate increases and increased the potential for future interest rate cuts in the near term. This shift decreased the holding cost of gold versus assets with a nominal yield, such as government bonds.

Continued exposure to Australian mining equities and high-quality mid-capitalization companies in North America contributed to the Fund’s performance. Gold prices, as measured in the Australian dollar, rose, which benefited companies with exposure to the Australian dollar. At the individual security level, top contributors included SEMAFO Inc. and Kirkland Lake Gold Inc. SEMAFO completed its acquisition of Savary Gold Corp. in an all-share transaction, and continued to demonstrate strength in its operations as it ramped up its Bounou project. Kirkland Lake displayed operational excellence while beating its forecasted numbers. The company also announced an updated forecast, which positions it for strong year-over-year production growth.

Individual detractors from performance included Dacian Gold Ltd. and OceanaGold Corp. Dacian Gold had difficulty with the start-up of operation, while OceanaGold experienced weather- and personnel-related delays at its Haile mine. The company has been challenged by permitting delays at its Didipio operations in Philippines.

During the period, the Manager increased the Fund’s allocation to companies that offer higher exposure to gold price appreciation. Exposure to large-capitalization gold miners was trimmed.

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

The Fund's total net asset value decreased by 11.7% during the period, from \$145.8 million as at December 31, 2018 to \$128.7 million as at June 30, 2019. This change was predominantly due to net redemptions of \$24.5 million, offset by net realized and unrealized gains on investments of \$8.9 million. The management expense ratio decreased from the prior period.

## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.50% for Series A units, 2.00% for Series D units, 1.50% for Series F units, 1.15% for Series QF and as negotiated by the unitholders of Series I. The management fee is calculated and accrued daily and is paid monthly based on the average net asset value of that series of the Fund. For the period ended June 30, 2019, the Fund incurred management fees of \$1,634,670 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Gold and Precious Minerals Fund – Series A	60%	40%
Ninepoint Gold and Precious Minerals Fund – Series D	75%	25%
Ninepoint Gold and Precious Minerals Fund – Series F	100%	–
Ninepoint Gold and Precious Minerals Fund – Series I	100%	–
Ninepoint Gold and Precious Minerals Fund – Series QF	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$72,226 during the period ended June 30, 2019, to Sightline Wealth Management (formerly, SP Wealth), an affiliate of the manager.

### INCENTIVE FEES

The Fund also pays the Manager an annual incentive fee, equal to a percentage of the average net asset value of the applicable Series of the Fund. Such percentage will be equal to 10% of the difference by which the return in net asset value per unit of the applicable Series from January 1 to December 31 exceeds the percentage return of the S&P/TSX Global Gold Total Return Index for the same period. If the performance of a Series of the Fund in any year is less than the performance of the Index (the "Deficiency"), then no incentive fee will be payable until the performance of the applicable Series, on a cumulative basis, has exceeded the amount of the Deficiency. For the period ended June 30, 2019, the Fund did not accrue any incentive fees.

### OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, trustee, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions are at the Manager's discretion and can be terminated at any time without notice. The Manager did not absorb any expenses during the period ended June 30, 2019.

### OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund's Independent Review Committee with respect to any related party transactions.

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2019 and each of the previous years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit<sup>1</sup>

	Jun 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series A	\$	\$	\$	\$	\$	\$
Net assets, beginning of period	32.22	36.27	35.63	23.48	25.02	24.17
<b>Increase (decrease) from operations:</b>						
Total revenue	0.20	0.39	0.24	0.15	0.19	0.15
Total expenses	(0.58)	(1.23)	(1.48)	(1.64)	(1.07)	(1.07)
Realized gains (losses) for the period	1.03	(0.17)	1.81	8.70	(21.40)	(3.61)
Unrealized gains (losses) for the period	1.03	(3.28)	0.10	5.08	20.94	5.60
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.68</b>	<b>(4.29)</b>	<b>0.67</b>	<b>12.29</b>	<b>(1.34)</b>	<b>1.07</b>
<b>Distributions:</b>						
<b>Total annual distributions<sup>3</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period</b>	<b>34.06</b>	<b>32.22</b>	<b>36.27</b>	<b>35.63</b>	<b>23.48</b>	<b>25.02</b>

	Jun 30, 2019	Dec 31, 2018 <sup>4</sup>
Series D	\$	\$
Net assets, beginning of period	9.49	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.06	0.04
Total expenses	(0.14)	(0.17)
Realized gains (losses) for the period	0.30	(0.21)
Unrealized gains (losses) for the period	0.44	1.63
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$0.66</b>	<b>1.29</b>
<b>Distributions:</b>		
<b>Total annual distributions<sup>3</sup></b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period</b>	<b>10.06</b>	<b>9.49</b>

	Jun 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series F	\$	\$	\$	\$	\$	\$
Net assets, beginning of period	36.31	40.43	39.30	25.62	27.02	25.83
<b>Increase (decrease) from operations:</b>						
Total revenue	0.22	0.41	0.16	0.16	0.20	0.17
Total expenses	(0.46)	(0.91)	(1.07)	(1.16)	(0.77)	(0.76)
Realized gains (losses) for the period	1.15	(0.12)	1.92	9.30	(22.95)	(3.88)
Unrealized gains (losses) for the period	0.88	(3.66)	(0.88)	2.85	22.31	5.31
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.79</b>	<b>(4.28)</b>	<b>0.13</b>	<b>11.15</b>	<b>(1.21)</b>	<b>0.84</b>
<b>Distributions:</b>						
<b>Total annual distributions<sup>3</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of period</b>	<b>38.58</b>	<b>36.31</b>	<b>40.43</b>	<b>39.30</b>	<b>25.62</b>	<b>27.02</b>

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

	Jun 30, 2019 <sup>5</sup>	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Series I	\$	\$	\$	\$	\$	\$
Net assets, beginning of period	5.50	6.02	5.81	3.70	3.86	3.63
<b>Increase (decrease) from operations:</b>						
Total revenue	0.03	0.07	0.03	0.02	0.03	0.02
Total expenses	(0.03)	(0.03)	(0.05)	(0.05)	(0.06)	(0.02)
Realized gains (losses) for the period	0.15	(0.01)	0.30	1.49	(3.14)	(0.52)
Unrealized gains (losses) for the period	0.10	(0.67)	(0.23)	(0.04)	2.91	0.31
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$0.25</b>	<b>(0.64)</b>	<b>0.05</b>	<b>1.42</b>	<b>(0.26)</b>	<b>(0.21)</b>
<b>Distributions:</b>						
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–	–	–
<b>Net assets, end of period</b>	–	5.50	6.02	5.81	3.70	3.86

	Jun 30, 2019	Dec 31, 2018 <sup>4</sup>
Series QF	\$	\$
Net assets, beginning of period	10.61	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.06	0.02
Total expenses	(0.11)	(0.03)
Realized gains (losses) for the period	0.34	(0.02)
Unrealized gains (losses) for the period	0.41	0.49
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.70</b>	<b>0.46</b>
<b>Distributions:</b>		
<b>Total annual distributions<sup>3</sup></b>	–	–
<b>Net assets, end of period</b>	<b>11.30</b>	<b>10.61</b>

1 This information is derived from the Fund's interim and audited annual financial statements.

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net assets and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund or paid in cash.

4 Information provided is for the period May 25, 2018 (first issuance) for Series D, and December 17, 2018 (first issuance) for Series QF, to December 31, 2018.

5 All outstanding Series I shares were fully redeemed during the period ended June 30, 2019.

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

## Ratios and Supplemental Data

Series A	Jun 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) <sup>1</sup>	<b>\$88,898</b>	\$101,103	\$127,971	\$137,278	\$90,532	\$113,565
Number of units outstanding <sup>1</sup>	<b>2,610,141</b>	3,137,465	3,528,759	3,853,158	3,856,168	4,538,767
Management expense ratio <sup>2</sup>	<b>3.15%</b>	3.19%	3.04%	2.96%	3.19%	3.15%
Trading expense ratio <sup>3</sup>	<b>0.46%</b>	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate <sup>4</sup>	<b>38.24%</b>	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit <sup>1</sup>	<b>\$34.06</b>	\$32.22	\$36.27	\$35.63	\$23.48	\$25.02

Series D	Jun 30, 2019	Dec 31, 2018
Total net asset value (000s) <sup>1</sup>	<b>\$679</b>	\$263
Number of units outstanding <sup>1</sup>	<b>67,537</b>	27,662
Management expense ratio <sup>2</sup>	<b>2.65%</b>	2.75%
Trading expense ratio <sup>3</sup>	<b>0.46%</b>	0.46%
Portfolio turnover rate <sup>4</sup>	<b>38.24%</b>	110.65%
Net asset value per unit <sup>1</sup>	<b>\$10.06</b>	\$9.49

Series F	Jun 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) <sup>1</sup>	<b>\$21,584</b>	\$26,743	\$35,068	\$82,412	\$35,721	\$41,164
Number of units outstanding <sup>1</sup>	<b>559,454</b>	736,482	867,336	2,097,078	1,394,141	1,523,537
Management expense ratio <sup>2</sup>	<b>2.08%</b>	2.11%	1.97%	1.89%	2.13%	2.08%
Trading expense ratio <sup>3</sup>	<b>0.46%</b>	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate <sup>4</sup>	<b>38.24%</b>	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit <sup>1</sup>	<b>\$38.58</b>	\$36.31	\$40.43	\$39.30	\$25.62	\$27.02

Series I	Jun 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total net asset value (000s) <sup>1</sup>	–	\$1,358	\$2,384	\$629	\$16,924	\$16,532
Number of units outstanding <sup>1</sup>	–	246,870	396,329	108,371	4,577,205	4,279,604
Management expense ratio <sup>2</sup>	–	0.42%	0.61%	0.58%	1.17%	0.41%
Trading expense ratio <sup>3</sup>	–	0.46%	0.87%	1.08%	0.81%	0.38%
Portfolio turnover rate <sup>4</sup>	–	110.65%	142.90%	174.30%	117.10%	53.49%
Net asset value per unit <sup>1</sup>	–	\$5.50	\$6.02	\$5.81	\$3.70	\$3.86

Series QF	Jun 30, 2019	Dec 31, 2018
Total net asset value (000s) <sup>1</sup>	<b>\$17,531</b>	\$16,299
Number of units outstanding <sup>1</sup>	<b>1,550,867</b>	1,535,899
Management expense ratio <sup>2</sup>	<b>1.67%</b>	6.39%
Trading expense ratio <sup>3</sup>	<b>0.46%</b>	0.46%
Portfolio turnover rate <sup>4</sup>	<b>38.24%</b>	110.65%
Net asset value per unit <sup>1</sup>	<b>\$11.30</b>	\$10.61

1 The information is provided as at June 30, 2019 and December 31 of the years shown prior to 2019.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of the daily average net asset value during the period.

3 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

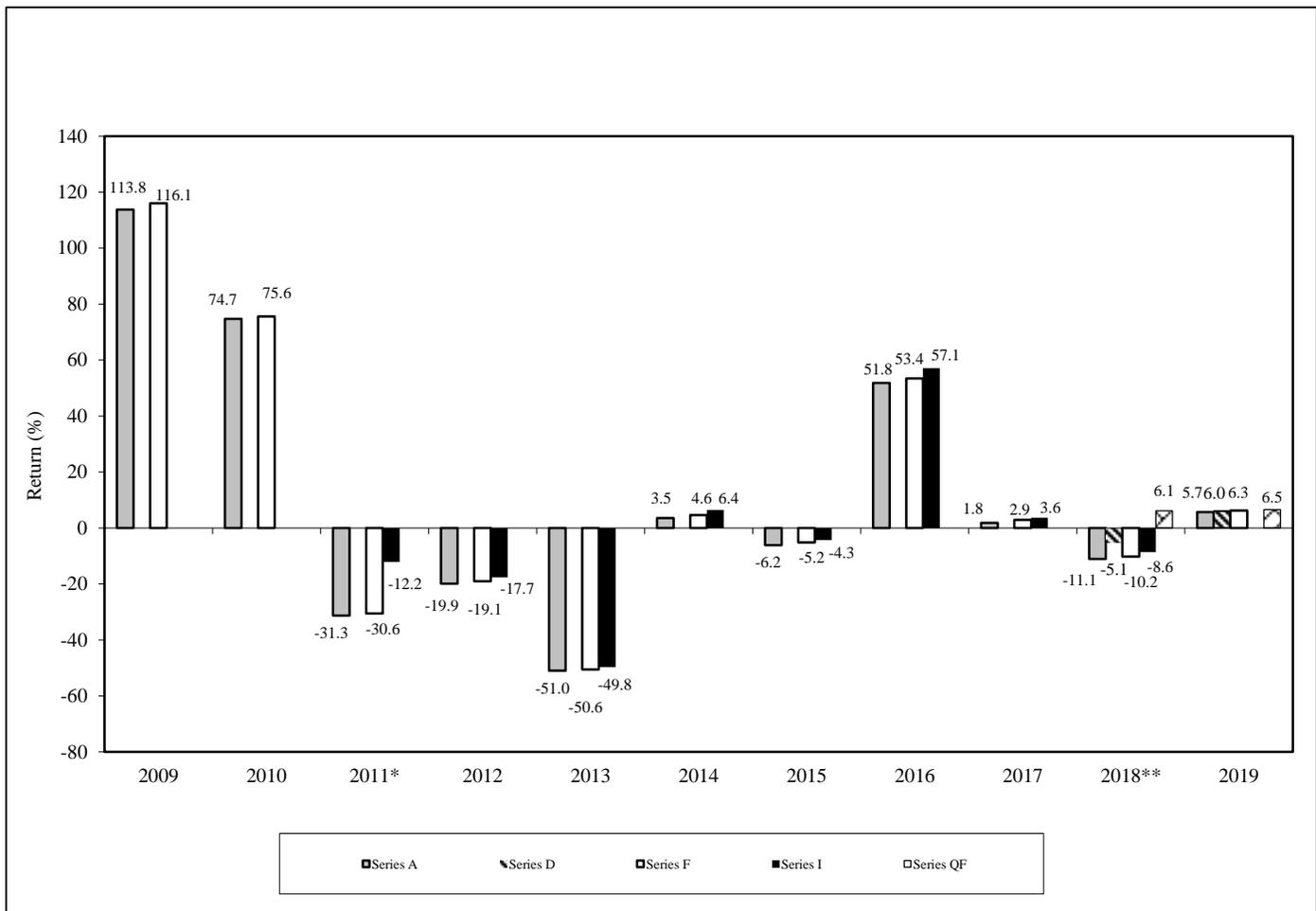
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a 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 the Fund.

## Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of returns are calculated based on the Net Asset Value of the particular Series of the Fund.

### Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the period ended June 30, 2019 and each of the previous years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding shares as at the end of the period.



\* Return from October 19, 2011 to December 31, 2011 for Series I (not annualized).

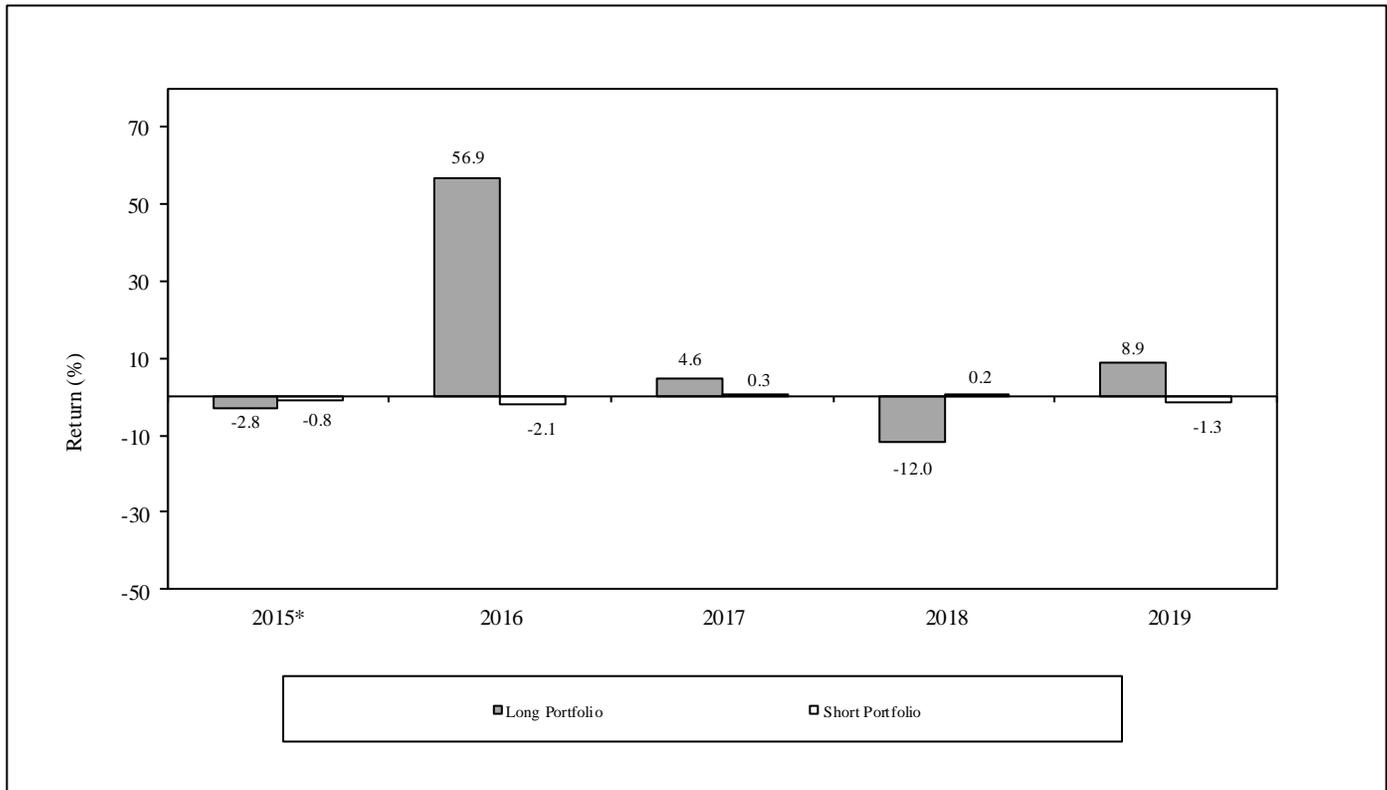
\*\* Return from May 25, 2018 for Series D, and December 17, 2018 for Series QF, to December 31, 2018 (not annualized).

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

## Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund (before the impact of Fund expenses) by the long portfolio and the short portfolio of the Fund for the period ended June 30, 2019 and each of the previous years ended December 31 shown, unless otherwise indicated. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



\* The Fund did not hold short portfolio positions prior to 2015.

# Ninepoint Gold and Precious Minerals Fund

June 30, 2019

## Summary of Investment Portfolio

As at June 30, 2019

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Equities - Precious Metals	92.5
Loans	5.0
Equities - Base Metals	1.9
Equities - Oil & Gas	1.2
<u>Total Long Positions</u>	<u>100.6</u>
Cash	(0.1)
<u>Other Net Liabilities</u>	<u>(0.5)</u>
<u>Total Net Asset Value</u>	<u>100.0</u>

### Top 25 Long Positions

Issuer	% of Net Asset Value
Northern Star Resources Ltd.	6.6
Wheaton Precious Metals Corp.	5.4
Saracen Mineral Holdings Ltd.	5.2
SEMAFO Inc.	5.1
B2Gold Corp.	4.4
Endeavour Mining Corp.	4.0
Kirkland Lake Gold Ltd.	3.9
Centamin PLC	3.3
Continental Gold Inc.	3.2
TMAC Resources Inc., 6.5% (plus Libor), Jul 31, 2022	3.1
Dundee Precious Metals Inc.	3.1
Westgold Resources Ltd.	3.0
SSR Mining Inc.	2.8
Pan American Silver Corp.	2.6
Ramelius Resources Ltd.	2.5
Roxgold Inc.	2.4
Argonaut Gold Inc.	2.2
MAG Silver Corp.	2.2
SilverCrest Metals Inc.	2.2
Cardinal Resources Ltd.	2.1
Torex Gold Resources Inc.	2.0
Bellevue Gold Ltd.	1.9
Energold Drilling Corp., 9.50%, Jun 14, 2022	1.8
Alacer Gold Corp.	1.7
Sabina Gold & Silver Corp.	1.7
<u>Top 25 long positions as a percentage of net asset value</u>	<u>78.4</u>

The fund held no short positions as at June 30, 2019.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at [www.ninepoint.com](http://www.ninepoint.com).

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## Corporate Information

### Corporate Address

Ninepoint Partners LP  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2700, P.O. Box 27  
Toronto, Ontario M5J 2J1  
T 416.362.7172  
TOLL-FREE 1.888.362.7172  
F 416.628.2397  
E [invest@ninepoint.com](mailto:invest@ninepoint.com)  
For additional information visit our website:  
[www.ninepoint.com](http://www.ninepoint.com)  
Call our mutual fund information line for daily closing prices:  
416.362.7172 or 1.888.362.7172

### Auditors

KPMG LLP  
Bay Adelaide Centre  
333 Bay Street  
Suite 4600  
Toronto, Ontario M5H 2S5

### Legal Counsel

Borden Ladner Gervais LLP  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Suite 3400  
Toronto, Ontario M5H 4E3