



Ninepoint Gold Bullion Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2019

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 or SEDAR at 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.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Ninepoint Gold Bullion Fund (the “Fund”) is to seek to provide a secure, convenient alternative for investors seeking to hold gold.

As part of its investment strategy, the Fund:

- invests primarily in unencumbered, fully allocated gold bullion and/or permitted gold certificates, the underlying interest of which is gold;
- has obtained exemptive relief to permit the Fund to invest up to 100% of its net asset value, taken at the market value at the time of purchase, in gold and/or permitted gold certificates;
- may invest a portion of its assets in cash, money market instruments and/or treasury bills; and
- may use derivatives, such as currency forward contracts, for hedging purposes only.

Risk

The risks of investing in the Fund are described in the Fund’s simplified prospectus. Direct purchases of gold by the Fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Fund. The Fund is suitable for those investors who want exposure to the capital appreciation potential of gold and who want to maintain a high level of liquidity in their investments with a medium to high tolerance for risk and volatility and have a medium to long-term investment horizon. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period.

Results of Operations and Recent Developments

The Fund, Series A, returned 4.7% in the first half of 2019, versus spot gold, which gained 5.5% in Canadian dollar terms. In U.S. dollar terms, the spot price increased 9.9%. The spot price of gold as at June 28, 2019 was \$1,409.45 an ounce in U.S. dollar terms compared to a price of \$1,282.45 an ounce as at December 31, 2018.

During the period, the global economy slowed, which increased the likelihood of investors purchasing “safe haven” assets, such as gold. The U.S. Federal Reserve Board ended its interest rate increases, and signaled the potential for future interest rate cuts. This decreased the holding cost of gold versus assets with a nominal yield, such as government bonds.

Gold prices rose above US\$1,400 per ounce during the period, and gold equities gained 21.2% including dividends, as measured by VanEck Vectors Gold Miners ETF. Gold equities outperformed gold bullion by two to one.

The Fund’s total net asset value increased by 15.5% during the period, from \$122.0 million as at December 31, 2018 to \$140.9 million as at June 30, 2019. This change was predominantly due to net subscriptions of \$12.1 million and unrealized investment gains of \$6.5 million. The management expense ratio decreased compared to the prior period.

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Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager an annual rate of 0.80% for Series A units and 0.50% for Series F units and as negotiated by the unitholders for Series I. The management fee is calculated and accrued daily based on the daily net asset value of the applicable series of the Fund, and is paid monthly. For the period ended June 30, 2019, the Fund incurred management fees of \$465,353 (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 Commission |
|--|-----------------------|------------------------|
| Ninepoint Gold Bullion Fund – Series A | 62% | 38% |
| Ninepoint Gold Bullion Fund – Series F | 100% | – |

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$6,603 during the period ended June 30, 2019 to Sightline Wealth Management (formerly, SP Wealth), an affiliate of the Manager.

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.

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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 Unit¹

| | 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 | 13.60 | 12.90 | 12.35 | 11.84 | 11.24 | 10.58 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | – | – | – | – | – | – |
| Total expenses | (0.08) | (0.16) | (0.16) | (0.15) | (0.15) | (0.15) |
| Realized gains for the period | 0.10 | 0.26 | 0.24 | 0.44 | 0.08 | 0.04 |
| Unrealized gains (losses) for the period | 0.61 | 0.56 | 0.53 | 0.17 | 0.73 | 0.85 |
| Total increase (decrease) from operations² | 0.63 | 0.66 | 0.61 | 0.46 | 0.66 | 0.74 |
| Distributions: | | | | | | |
| Total annual distributions³ | – | – | – | – | – | – |
| Net assets, end of period | 14.25 | 13.60 | 12.90 | 12.35 | 11.84 | 11.24 |

| | 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 | 14.04 | 13.27 | 12.66 | 12.10 | 11.44 | 10.74 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | – | – | – | – | – | – |
| Total expenses | (0.06) | (0.12) | (0.12) | (0.11) | (0.12) | (0.12) |
| Realized gains for the period | 0.11 | 0.26 | 0.24 | 0.48 | 0.08 | 0.04 |
| Unrealized gains (losses) for the period | 0.71 | 0.45 | 0.48 | (0.03) | 0.72 | 0.89 |
| Total increase (decrease) from operations² | 0.76 | 0.59 | 0.60 | 0.34 | 0.68 | 0.81 |
| Distributions: | | | | | | |
| Total annual distributions³ | – | – | – | – | – | – |
| Net assets, end of period | 14.73 | 14.04 | 13.27 | 12.66 | 12.10 | 11.44 |

| | | Dec 31, 2017 | Dec 31, 2016 | Dec 31, 2015 | Dec 31, 2014 |
|--|----|-----------------|-----------------|-----------------|-----------------|
| Series I | \$ | \$ | \$ | \$ | \$ |
| Net assets, beginning of period | | 10.11 | 9.61 | 9.03 | 8.43 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | | – | – | – | – |
| Total expenses | | (0.03) | (0.03) | (0.04) | (0.04) |
| Realized gains for the period | | 0.16 | 0.23 | 0.06 | 0.03 |
| Unrealized gains (losses) for the period | | 0.31 | 0.54 | 0.41 | 0.38 |
| Total increase (decrease) from operations² | | 0.44 | 0.74 | 0.43 | 0.37 |
| Distributions: | | | | | |
| Total annual distributions³ | | – | – | – | – |
| Net assets, end of period | | – ⁴ | 10.11 | 9.61 | 9.03 |

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.

4 All outstanding Series I units were fully redeemed during 2017.

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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) ¹ | \$65,811 | \$64,092 | \$70,699 | \$77,863 | \$67,682 | \$71,391 |
| Number of units outstanding ¹ | 4,619,692 | 4,711,243 | 5,481,741 | 6,307,093 | 5,714,655 | 6,354,305 |
| Management expense ratio ² | 1.22% | 1.23% | 1.21% | 1.13% | 1.27% | 1.32% |
| Trading expense ratio ³ | — | — | — | — | — | — |
| Portfolio turnover rate ⁴ | 3.84% | 2.13% | 6.11% | 9.14% | 5.67% | 1.14% |
| Net asset value per unit ¹ | \$14.25 | \$13.60 | \$12.90 | \$12.35 | \$11.84 | \$11.24 |

| 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) ¹ | \$75,077 | \$57,882 | \$60,703 | \$54,314 | \$42,216 | \$43,769 |
| Number of units outstanding ¹ | 5,097,782 | 4,122,474 | 4,575,841 | 4,291,464 | 3,488,345 | 3,825,169 |
| Management expense ratio ² | 0.88% | 0.89% | 0.87% | 0.79% | 0.94% | 0.99% |
| Trading expense ratio ³ | — | — | — | — | — | — |
| Portfolio turnover rate ⁴ | 3.84% | 2.13% | 6.11% | 9.14% | 5.67% | 1.14% |
| Net asset value per unit ¹ | \$14.73 | \$14.04 | \$13.27 | \$12.66 | \$12.10 | \$11.44 |

| 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) ¹ | — | — | — | \$550 | \$35,014 | \$22,259 |
| Number of units outstanding ¹ | — | — | — | 54,355 | 3,645,319 | 2,464,538 |
| Management expense ratio ² | — | — | — | 0.31% | 0.39% | 0.43% |
| Trading expense ratio ³ | — | — | — | — | — | — |
| Portfolio turnover rate ⁴ | — | — | — | 9.14% | 5.67% | 1.14% |
| Net asset value per unit ¹ | — | — | — | \$10.11 | \$9.61 | \$9.03 |

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 (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. Since there are no direct trading costs associated with physical bullion trades, the trading expense ratio is nil.

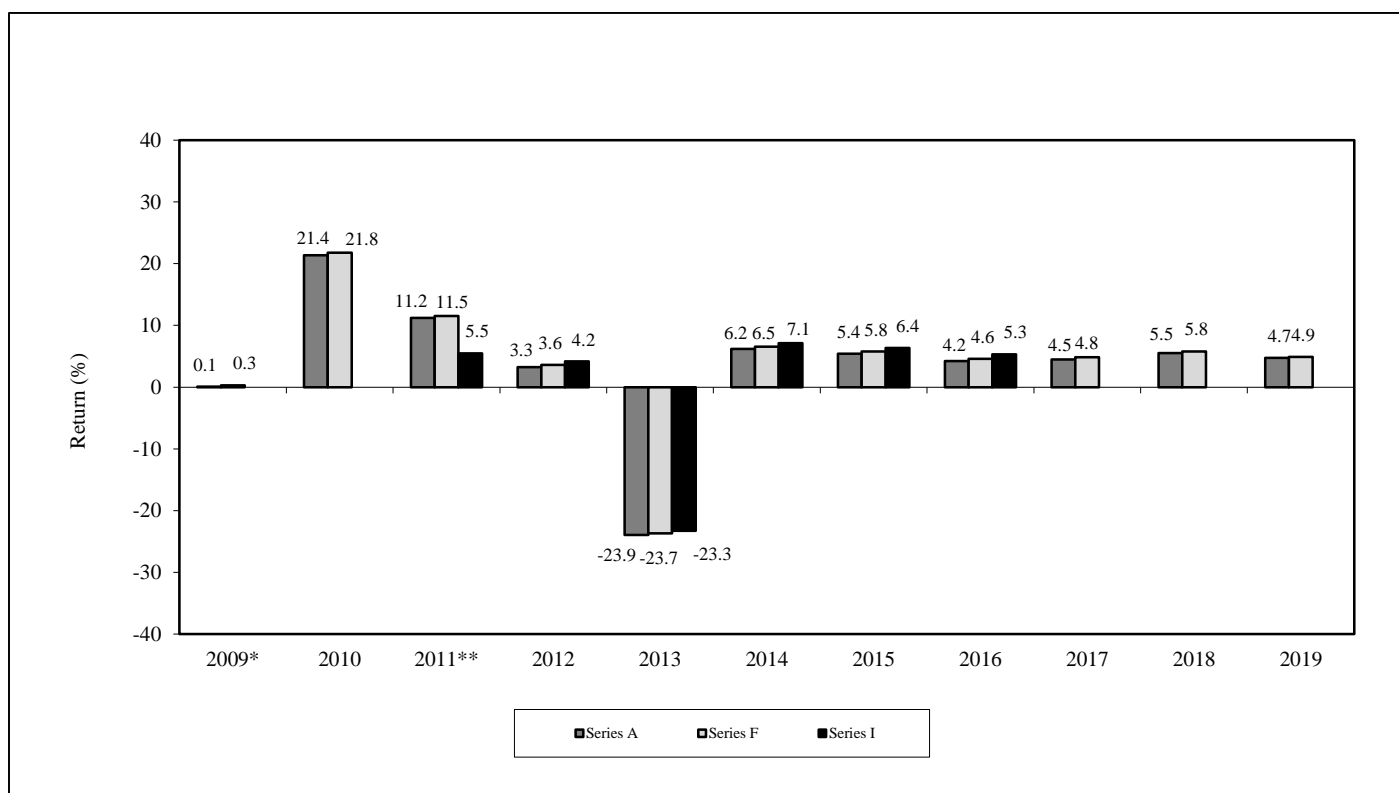
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio 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 March 17, 2009 (launch date) to December 31, 2009 for Series A and Series F (not annualized).

** Return from June 6, 2011 to December 31, 2011 for Series I (not annualized).

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Summary of Investment Portfolio

As at June 30, 2019

All Holdings

| | % of Net Asset Value |
|------------------------------|-------------------------|
| Gold Bullion | 99.6 |
| Cash | 0.3 |
| Other Net Assets | 0.1 |
| Total Net Asset Value | 100.0 |

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.

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
For additional information visit our website:
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