



# Ninepoint Target Income Fund

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

## 2024

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The annual 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 annual financial statements of the investment fund. You can obtain a copy of the annual 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.sedarplus.ca](http://www.sedarplus.ca) 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 Ninepoint Target Income Fund (the “Fund”) is to seek to provide unitholders with stable, monthly distributions and lower volatility than a direct investment in the broad equity markets by investing primarily in a diversified portfolio of equity index based investments that generates income and using derivatives strategies to moderate the market volatility of those investments. To achieve the Fund’s investment objective, the Fund seeks to generate income by primarily selling put options on broad equity indices, including exchange traded funds (“ETFs”). Additionally, it may enter into, or obtain exposure to, systematic put selling strategies through the use of derivative instruments, such as swaps. As part of its investment strategy, the Fund may also:

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by the Canadian Securities Administrators;
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities regulations; and
- hold cash, short-term money market instruments and fixed income securities, at any time, for cash management purposes.

### Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for investors with a low-to-medium tolerance for risk.

### Results of Operations

The Fund, Series F, returned 5.2% in 2024, while its benchmark returned 17.8%.

The year 2024 has seen a continuation of strength in technology shares with more muted performance in many cyclical sectors such as industrial and financials. Despite the improved earnings trends, valuation multiple expansion drove a meaningful amount of the equity market performance.

Index implied volatility was relatively stable and low in the first half of 2024, with muted correlation between equities and low single stock volatility. While 2024 was a lower volatility environment compared to prior years, equities did experience a sudden surge in volatility in August 2024, triggered by the unwinding of Yen carry trade positions. This resulted in implied volatility moves well above typical occurrences in comparable equity market sell-offs of recent years. Short-term cash yields moved moderately lower during the quarter post the Bank of Canada rates cuts, meanwhile put premiums moved slightly higher, above the lower premium environment witnessed in the first half of 2024.

The Fund has been positioned for this environment by deploying put selling strategies that provide a protective buffer against moderate price declines in the underlying index. The top factors contributing to performance were yields on short-term money securities driving returns on cash combined with positive returns on the S&P 500 underlying put option portfolio.

The money market securities portfolio and the S&P 500 85 strike laddered puts were the top contributors to performance. Top detractors were the S&P 500 75 & EU 75 strike laddered puts. During the period, the portfolio increased the proportional position in S&P 500 85 & 80 strike laddered puts. The Fund also increased its proportional put selling exposure to European SX5E underlying index and Canadian S&P/TSX 60 underlying index. These combined actions were taken to increase the potential of the portfolio to generate long-term income distributions.

The Fund’s net asset value decreased by 24.5% during the year, from \$38.6 million as at December 31, 2023 to \$29.1 million as at December 31, 2024. This change was predominantly due to net redemptions of \$9.2 million and expenses of \$0.3 million.

### Recent Developments

There were no material changes to the investment strategy and features of the Fund during the year ended December 31, 2024. The Manager actively monitors the positioning of the Fund’s portfolio for changes in current market conditions and the economic environment.

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## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 1.60% for Series A units, 0.60% for Series F units and ETF Series units, 1.30% for Series S units, 0.30% for Series SF 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 that series of the Fund and is paid monthly. For the year ended December 31, 2024, the Fund incurred management fees (including taxes) of \$200,797. 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*
Series A	37%	63%
Series F	100%	—
Series I	100%	—
Series S	100%	—
Series SF	100%	—
ETF Series	100%	—

\* Series I trailing commissions are based on a rate that is negotiated and agreed upon by the Manager and dealer.

Of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$1,189 during the year ended December 31, 2024, to Sightline Wealth Management, an affiliate of the Manager.

### OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as unitholder reporting costs. The Manager may pay some 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 the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions are at the Manager's discretion and can be terminated at any time without notice. For the year ended December 31, 2024, the Manager did not absorb expenses.

### 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 Target Income Fund

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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 years ended December 31 shown, unless otherwise indicated.

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

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
Series A	\$	\$	\$
Net assets, beginning of period	9.83	9.89	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.39	0.38	0.14
Total expenses	(0.23)	(0.22)	(0.08)
Realized gains (losses) for the period	0.22	0.36	0.13
Unrealized gains (losses) for the period	0.00	0.02	0.04
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.38</b>	<b>0.54</b>	<b>0.23</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.26)	(0.41)	(0.18)
From capital gain	(0.22)	(0.20)	–
From return of capital	(0.11)	–	(0.07)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.59)</b>	<b>(0.61)</b>	<b>(0.25)</b>
<b>Net assets, end of period</b>	<b>9.62</b>	<b>9.83</b>	<b>9.89</b>

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
Series F	\$	\$	\$
Net assets, beginning of period	10.00	9.94	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.40	0.38	0.13
Total expenses	(0.12)	(0.11)	(0.04)
Realized gains (losses) for the period	0.23	0.35	0.25
Unrealized gains (losses) for the period	0.00	0.02	(0.05)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.51</b>	<b>0.64</b>	<b>0.29</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.41)	(0.51)	(0.23)
From capital gain	(0.12)	(0.10)	–
From return of capital	(0.06)	–	(0.02)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.59)</b>	<b>(0.61)</b>	<b>(0.25)</b>
<b>Net assets, end of period</b>	<b>9.91</b>	<b>10.00</b>	<b>9.94</b>

# Ninepoint Target Income Fund

December 31, 2024

	Dec 31, 2024 <sup>5</sup>
Series I	\$
Net assets, beginning of period	10.00
<b>Increase (decrease) from operations:</b>	
Total revenue	0.31
Total expenses	(0.06)
Realized gains (losses) for the period	0.17
Unrealized gains (losses) for the period	0.00
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.42</b>
<b>Distributions:</b>	
From income (excluding dividends)	(0.29)
From capital gain	(0.14)
From return of capital	(0.07)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.50)</b>
<b>Net assets, end of period</b>	<b>9.95</b>

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
Series S	\$	\$	\$
Net assets, beginning of period	9.93	9.97	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.40	0.38	0.15
Total expenses	(0.20)	(0.19)	(0.10)
Realized gains (losses) for the period	0.24	0.37	0.18
Unrealized gains (losses) for the period	(0.01)	0.02	0.04
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.43</b>	<b>0.58</b>	<b>0.27</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.34)	(0.47)	(0.22)
From capital gain	(0.17)	(0.15)	—
From return of capital	(0.09)	—	(0.08)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.60)</b>	<b>(0.62)</b>	<b>(0.30)</b>
<b>Net assets, end of period</b>	<b>9.76</b>	<b>9.93</b>	<b>9.97</b>

# Ninepoint Target Income Fund

December 31, 2024

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
Series SF	\$	\$	\$
Net assets, beginning of period	10.10	10.03	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.40	0.39	0.15
Total expenses	(0.09)	(0.08)	(0.04)
Realized gains (losses) for the period	0.24	0.37	0.16
Unrealized gains (losses) for the period	(0.00)	0.02	0.02
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.55</b>	<b>0.70</b>	<b>0.29</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.44)	(0.59)	(0.25)
From capital gain	(0.11)	(0.03)	–
From return of capital	(0.06)	–	(0.05)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.61)</b>	<b>(0.62)</b>	<b>(0.30)</b>
<b>Net assets, end of period</b>	<b>10.04</b>	<b>10.10</b>	<b>10.03</b>

	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
ETF Series	\$	\$	\$
Net assets, beginning of period	20.14	20.01	20.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.80	0.77	0.30
Total expenses	(0.25)	(0.23)	(0.11)
Realized gains (losses) for the period	0.45	0.65	0.30
Unrealized gains (losses) for the period	0.01	0.28	0.19
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>1.01</b>	<b>1.47</b>	<b>0.68</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.81)	(0.98)	(0.41)
From capital gain	(0.26)	(0.27)	(0.01)
From return of capital	(0.14)	–	(0.18)
<b>Total annual distributions<sup>3</sup></b>	<b>(1.21)</b>	<b>(1.25)</b>	<b>(0.60)</b>
<b>Net assets, end of period</b>	<b>19.93</b>	<b>20.14</b>	<b>20.01</b>

1 This information is derived from the Fund's 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 asset 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 the 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 from June 29, 2022 (launch date) for Series S units, Series SF units and ETF Series units, and August 2, 2022 (first issuance) for Series A units and Series F units, to December 31, 2022.

5 Information provided is for the period from March 8, 2024 (first issuance) to December 31, 2024 for Series I units.

# Ninepoint Target Income Fund

December 31, 2024

## Ratios and Supplemental Data

Series A	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000s) <sup>1</sup>	\$2,483	\$1,745	\$705
Number of units outstanding <sup>1</sup>	258,010	177,513	71,200
Management expense ratio <sup>2</sup>	2.37%	2.22%	1.88%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.62	\$9.83	\$9.89

Series F	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000s) <sup>1</sup>	\$14,149	\$20,062	\$11,383
Number of units outstanding <sup>1</sup>	1,428,165	2,005,481	1,144,849
Management expense ratio <sup>2</sup>	1.21%	1.12%	0.93%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.91	\$10.00	\$9.94

Series I	Dec 31, 2024
Total net asset value (000s) <sup>1</sup>	\$1,176
Number of Units outstanding <sup>1</sup>	118,184
Management expense ratio <sup>2</sup>	0.67%
Trading expense ratio <sup>3</sup>	0.00%
Portfolio turnover rate <sup>4</sup>	—
Net asset value per unit <sup>1</sup>	\$9.95

Series S	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000s) <sup>1</sup>	\$573	\$1,264	\$1,313
Number of Units outstanding <sup>1</sup>	58,685	127,227	131,725
Management expense ratio <sup>2</sup>	1.97%	1.89%	1.98%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.76	\$9.93	\$9.97

Series SF	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000s) <sup>1</sup>	\$9,753	14,340	\$16,667
Number of units outstanding <sup>1</sup>	971,452	1,419,186	1,662,530
Management expense ratio <sup>2</sup>	0.89%	0.78%	0.83%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$10.04	\$10.10	\$10.03

# Ninepoint Target Income Fund

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ETF Series	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000s) <sup>1</sup>	\$997	\$1,208	\$3,202
Number of Units outstanding <sup>1</sup>	50,000	60,000	160,000
Management expense ratio <sup>2</sup>	1.26%	1.12%	1.14%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$19.93	\$20.14	\$20.01
Closing Market Price <sup>5</sup>	\$20.18	\$20.19	\$20.07

1 This information is provided as at December 31 for the years shown.

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 daily average net asset value during the period. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

3 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.

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 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 period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

5 Last closing price as at December 31 for the years shown.

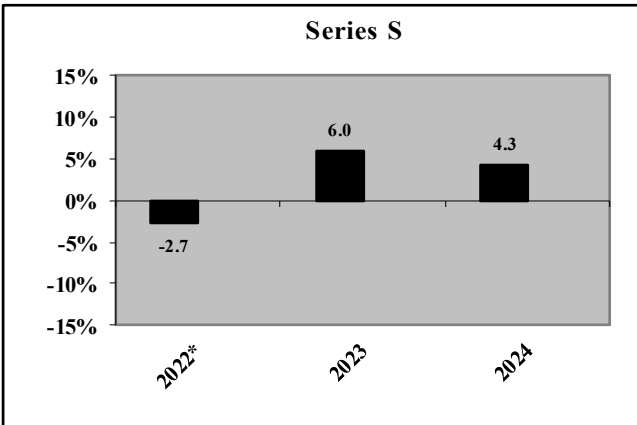
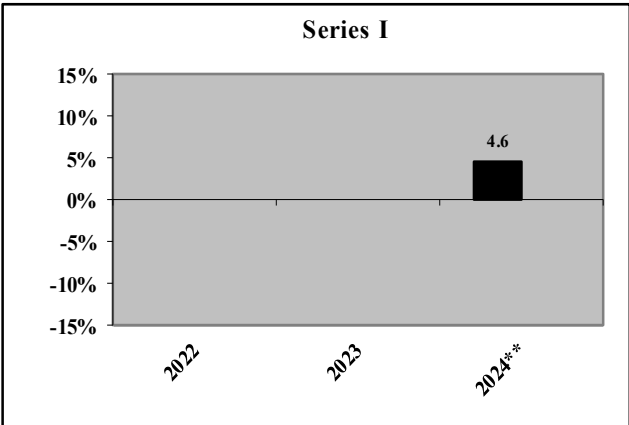
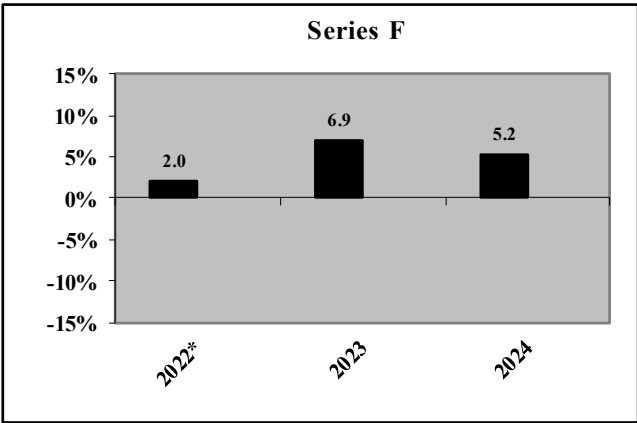
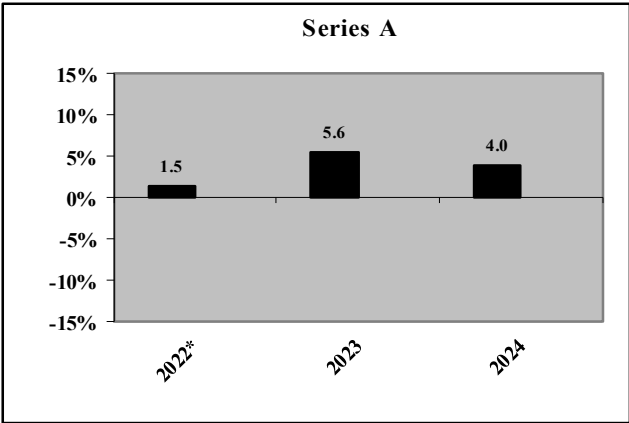


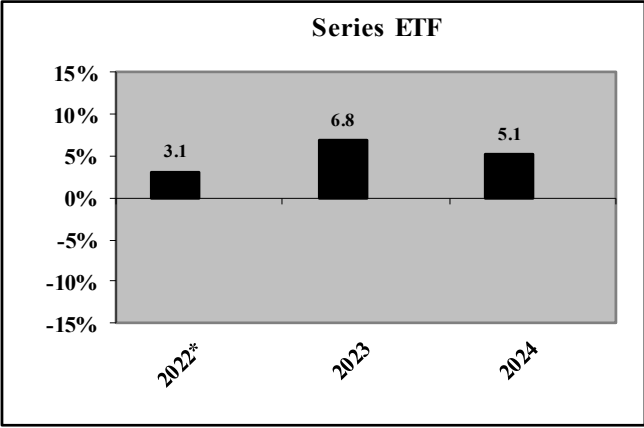
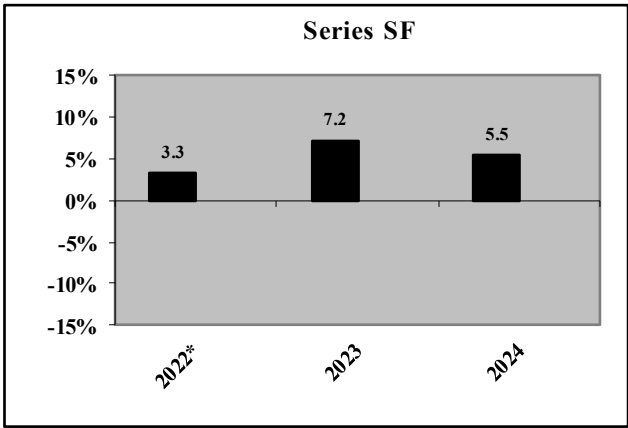
Past Performance

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 return are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following charts indicate the performance of each Series of the Fund for the 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 no outstanding units as at the end of the period.





\* Return from June 29, 2022 (launch date) for Series S units, Series SF units and ETF Series units, and August 2, 2022 (first issuance) for Series A units and Series F units, to December 31, 2022 (not annualized).

\*\* Return from March 8, 2024 (first issuance) to December 31, 2024 (not annualized) for Series I units.

# Ninepoint Target Income Fund

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## Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to its benchmark (the “Index”) which tracks the value of a hypothetical portfolio of securities that yields a buffered exposure to S&P 500 stock returns. Since the Fund does not necessarily invest in the same securities or in the same proportion as the index, the performance of the Fund is not expected to equal the performance of the Index.

	1-Year	Since Inception*
Series A	4.0%	4.6%
Index	17.8%	11.4%
Series F	5.2%	5.8%
Index	17.8%	11.4%
Series I	—	4.6%
Index	—	13.9%
Series S	4.3%	5.2%
Index	17.8%	12.4%
Series SF	5.5%	6.4%
Index	17.8%	12.4%
ETF Series	5.1%	6.0%
Index	17.8%	12.4%

\* Since launch date of June 29, 2022 for Series S units, Series SF units, and ETF Series units, August 2, 2022 for Series A units and Series F units, and March 8, 2024 for Series I units.

# Ninepoint Target Income Fund

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## Summary of Investment Portfolio

As at December 31, 2024

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Short-Term Corporate Bonds	50.8
Treasury Bills	30.2
Commercial Paper	17.0
Funds	2.2
<b>Total Long Positions</b>	<b>100.2</b>
Cash	0.5
Swap Contracts*	(0.1)
Other Net Liabilities	(0.6)
<b>Total Net Asset Value</b>	<b>100.0</b>

\* Positions in swap contracts are disclosed as the gain (loss) that would have been realized had the contracts closed out on December 31, 2024.

### All Long Positions excluding Swap Contracts

Issuer	% of Net Asset Value
Government of Canada, 3.240%, Jan 15, 2025	26.7
The Bank of Nova Scotia, 2.160%, Feb 3, 2025	9.6
North West Redwater Partnership, 3.420%, Jan 10, 2025	9.3
Pembina Pipeline Corporation, Callable, 3.540%, Feb 3, 2025	8.9
Bell Canada, Callable, 3.350%, Mar 12, 2025	8.9
Canadian Western Bank, 3.859%, Apr 21, 2025	8.3
Bank of Montreal, 3.614%, Jul 30, 2025	7.9
National Bank of Canada, 3.449%, Jan 24, 2025	5.2
Enbridge Inc., 3.710%, Jan 21, 2025	4.1
Enbridge Inc., 3.030%, Jan 8, 2025	3.6
Government of Canada, 3.160%, Mar 12, 2025	3.4
Ninepoint Cash Management Fund, Series I	2.2
Canadian Imperial Bank of Commerce, 3.584%, Mar 27, 2025	2.1
Cash	0.5
<b>All long positions excluding swap contracts as a percentage of Net Asset Value</b>	<b>100.7</b>

### All Swap Contracts\*\*

Issuer	% of Net Asset Value
RBC US Equity 85% Put Write Index, Jan 10, 2025	39.9
RBC EU Equity 80% Put Write Index, Jan 10, 2025	9.1
RBC CA Equity 85% Put Write Index, Jan 10, 2025	3.5
RBC EU Equity 85% Put Write Index, Jan 10, 2025	2.1

\*\* Positions in swap contracts are disclosed in terms of their notional exposure. All swap contracts are speculative in nature

The Fund did not hold short positions as at December 31, 2024.

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

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## Corporate Information

### Corporate Address

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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

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### A Note on Forward-Looking Statements

This report may contain certain statements that constitute forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words or expressions such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “target” or negative versions thereof and other similar expressions or future or conditional verbs such as “may”, “will”, “should”, “would” and “could” and similar expressions to the extent they relate to future financial performance of the Fund or a security and the Fund’s investment strategies and prospects. The forward-looking statements are not historical facts but reflect the expectations or forecasts of future results or events as at the date of this report. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations including, without limitation, general economic, political and market factors in North America and internationally, movements in interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, and the ability of Ninepoint to attract or retain key employees. This list of important risks, uncertainties and assumptions is not exhaustive. These and other factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

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