



Ninepoint Alternative Health Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2021

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 objective of the Ninepoint Alternative Health Fund (the “Fund”) is to achieve growth by investing primarily in equity securities of companies engaged in nutrition, nutraceuticals and new forms of medicines and pharmaceutical solutions.

The Fund will invest in a portfolio of companies that have a business strategy focused on new and alternative health and wellness related themes that are growing in acceptance and importance in North America. The Fund is designed to ensure that its portfolio is well diversified and to reduce the Fund’s concentration in any one security.

As part of the investment strategy, the Fund may:

- hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions and/or for liquidity purposes;
- engage in securities lending as permitted by securities regulations;
- invest in exchange-traded funds (ETFs) as permitted by securities regulations; and
- use specified derivatives, options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner that is consistent with the investment objectives of the Fund and as permitted by securities regulations.

On April 24, 2018, Ninepoint Partners LP (the “Manager”) acquired the management rights for the Fund from Redwood Asset Management Inc. Information prior to the acquisition by the Manager is presented in this report, as required.

Faircourt Asset Management Inc. is the sub-advisor of the Fund.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for those investors who have a long-term investment horizon and high risk tolerance, own, or plan to own, other types of investments to diversify their portfolio and want exposure to the Canadian and U.S. equity markets with a focus on alternative health and wellness. 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 13.1% in the first half of 2021, while its blended benchmark, 70% Thomson Reuters Canada Health Care Total Return Index and 30% Thomson Reuters US Health Care Total Return Index, returned 16.6%.

The year began with optimism for US federal legislative changes with respect to federal cannabis reform as the Democrats won a ballot run off for two Senate seats from the state of Georgia. The win gave the Democrats the balance of power in all branches of the US government leading to positive momentum in the US cannabis space. Other positive changes through the first half included the new legalization in four states, transitioning from medical only to adult use. The states include NY, VA, CT, and NM. Contrasting the enthusiasm in the US, Canadian-based cannabis companies continued to be hampered by COVID-19 lockdowns yet Canadian LPs with US exposure gained significantly with the prospect of US federal legalization opening up the growing US market. Enthusiasm for regulatory change waned as months past with little signs of progress resulting in negative performance for cannabis equities beginning in March. Further hampering the sector were continued custodial challenges with some firms imposing restrictions on cannabis-related holdings. This prevented US investors from holding US cannabis stocks. Despite these challenges, the sector still posted positive overall returns during the first half of the year.

The Fund had stability from its health and wellness focus as consumers reacted to the pandemic by adopting lifestyle changes such as adding vitamins/supplements, working out and incorporating healthy foods to their diets, all elements in the portfolio. The overall economic re-opening also benefited the healthcare names in the portfolio. Deferred patient visits from 2020 are now back on calendars as hospitals open and the threat of the virus has been reduced.

Our allocation amongst the different sectors within our mandate did not fluctuate significantly, continuing to be overweight US cannabis, while maintaining our weighting in health and wellness and pharmaceuticals.

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Portfolio leaders during the first half included Green Thumb Industries (GTI). It continues to execute well, having operational scale to generate growing free cash flow and the ability to raise capital in the US institutional market. Two other strong performers in the Multi State Operator (MSO) space also contributed to the Fund's performance: Trulieve Cannabis (TRUL) and Harvest Health and Recreation (HARV). TRUL has a commanding presence in its home state of Florida and has expanded rapidly to the northeast US and through its acquisition of HARV, is now poised to be the most profitable MSO in the US. As a result of the merger, HARV traded well into its implied take-out value also providing the Fund with solid performance.

Investments that we continue to believe in, though were not positive performers in the first half, include Columbia Care (CCHW) and Terrascend (TER). In the case of CCHW, we believe its integration of several acquisitions (Project Cannabis in CA; The Green Solution in CO and Green Leaf in the Mid-Atlantic) position the company as the second largest MSO operating in 18 states. The market under-appreciates its strategy while the company continues to work on market awareness. Another US MSO that did not fare well during the first half but continues to be a core holding is Terrascend (TER), which provides levered exposure to the NJ and PA market. We believe that its strong performance in 2H20 and a lack of federal legislative change led to a softening on the name in the market. An Israeli company that is executing well while continuing to be relatively ignored is IMC, a NASDAQ listed business with operations focused on Europe, with cultivation in Israel and Canada. While the Fund underperformed its benchmark, we remain optimistic about the portfolio and do not see significant changes as we enter the second half of the year.

The Fund's net asset value increased by 35.8% during the period, from \$63.4 million as at December 31, 2020 to \$86.1 million as at June 30, 2021. This change was predominantly due to net subscriptions of \$15.1 million and realized and unrealized gains on investments of \$7.2 million.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager an annual rate of 2.25% for Series A units, 1.25% for Series D, Series F and ETF Series units and as negotiated by the unitholders for Series I. Effective April 30, 2021, the management rate of Series D shares was reduced from 1.75% to 1.25%. The management fee is calculated and accrued daily and is paid monthly based on the daily net asset value of that series of the Fund. For the period ended June 30, 2021, the Fund incurred management fees of \$797,971 (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 Alternative Health Fund – Series A	56%	44%
Ninepoint Alternative Health Fund – Series D	80%	20%
Ninepoint Alternative Health Fund – Series F	100%	–
Ninepoint Alternative Health Fund – ETF Series	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$2,750 during the period ended June 30, 2021 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, 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, 2021.

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, 2021 and each of the previous years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit¹

	Jun 30 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017 ⁴
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	20.29	14.73	15.79	14.08	10.00
Increase (decrease) from operations:					
Total revenue	0.14	0.35	0.27	0.12	0.04
Total expenses	(0.34)	(0.50)	(0.58)	(0.57)	(0.17)
Realized gains (losses) for the period	1.10	(1.33)	(0.37)	1.93	0.71
Unrealized gains (losses) for the period	1.37	6.56	(1.88)	(1.63)	8.51
Total increase (decrease) from operations²	2.27	5.08	(2.56)	(0.15)	9.09
Distributions:					
From capital gains	–	–	–	0.66	0.24
Total annual distributions³	–	–	–	0.66	0.24
Net assets, end of period	22.95	20.29	14.73	15.79	14.08

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁵
Series D	\$	\$	\$	\$
Net assets, beginning of period	13.39	9.67	10.30	10.00
Increase (decrease) from operations:				
Total revenue	0.09	0.23	0.17	0.05
Total expenses	(0.16)	(0.28)	(0.31)	(0.23)
Realized gains (losses) for the period	0.73	(0.89)	(0.17)	0.69
Unrealized gains (losses) for the period	0.88	4.31	(1.24)	(0.83)
Total increase (decrease) from operations²	1.54	3.37	(1.55)	(0.32)
Distributions:				
From capital gains	–	–	–	0.54
Total annual distributions³	–	–	–	0.54
Net assets, end of period	15.21	13.39	9.67	10.30

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017 ⁴
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	20.75	14.91	15.80	14.11	10.00
Increase (decrease) from operations:					
Total revenue	0.15	0.35	0.28	0.11	0.02
Total expenses	(0.22)	(0.34)	(0.39)	(0.42)	(0.13)
Realized gains (losses) for the period	1.12	(1.33)	(0.49)	2.03	1.01
Unrealized gains (losses) for the period	0.96	6.71	(1.82)	(0.50)	6.88
Total increase (decrease) from operations²	2.01	5.39	(2.42)	1.22	7.78
Distributions:					
From capital gains	–	–	–	0.78	0.29
Total annual distributions³	–	–	–	0.78	0.29
Net assets, end of period	23.60	20.75	14.91	15.80	14.11

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	Jun 30, 2021 ⁶	Dec 31, 2020 ⁶	Dec 31, 2019	Dec 31, 2018 ⁵
	\$	\$	\$	\$
Series I				
Net assets, beginning of period	–	\$10.00	\$10.70	10.00
Increase (decrease) from operations:				
Total revenue	–	0.00	0.13	0.05
Total expenses	–	(0.00)	(0.08)	(0.09)
Realized gains (losses) for the period	–	(0.00)	0.88	0.80
Unrealized gains (losses) for the period	–	(0.00)	13.98	(1.46)
Total increase (decrease) from operations²	–	(0.00)	14.91	(0.70)
Distributions:				
From capital gains	–	–	–	0.66
Total annual distributions³	–	–	–	0.66
Net assets, end of period	–	–	10.00	10.70

	Jun 30, 2021	Dec 31, 2020 ⁶	Dec 31, 2019	Dec 31, 2018 ⁵
	\$	\$	\$	\$
Series PTF				
Net assets, beginning of period	–	10.00	10.00	10.00
Increase (decrease) from operations:				
Total revenue	–	0.00	0.00	0.00
Total expenses	–	(0.00)	(0.00)	(0.00)
Realized gains (losses) for the period	–	0.00	(0.00)	0.00
Unrealized gains (losses) for the period	–	(0.00)	(0.00)	(0.00)
Total increase (decrease) from operations²	–	(0.00)	–	–
Distributions:				
From capital gains	–	–	–	–
Total annual distributions³	–	–	–	–
Net assets, end of period	–	–	10.00	10.00

	Jun 30, 2021 ⁷
	\$
ETF Series	
Net assets, beginning of period	20.00
Increase (decrease) from operations:	
Total revenue	0.04
Total expenses	(0.04)
Realized gains (losses) for the period	0.26
Unrealized gains (losses) for the period	0.35
Total increase (decrease) from operations²	0.61
Distributions:	
Total annual distributions³	–
Net assets, end of period	20.35

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 Information provided is for the period from March 30, 2017 (launch date) for Series A, and August 4, 2017 (first issuance) for Series F, to December 31, 2017.

5 Information provided is for the period from May 25, 2018 (first issuance) for Series I, June 6, 2018 (first issuance) for Series D, and October 17, 2018 (first issuance) for Series PTF, to December 31, 2018.

6 All outstanding Series I units and Series PTF units were fully redeemed during the year ended December 31, 2020.

7 Information provided is for the period from May 12, 2021 (first issuance) to June 30, 2021 for ETF Series.

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Ratios and Supplemental Data

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017
Series A					
Total net asset value (000s) ¹	\$38,667	\$30,405	25,746	\$18,781	\$2,643
Number of units outstanding ¹	1,684,732	1,498,854	1,747,872	1,189,414	187,684
Management expense ratio ²	2.80%	3.01%	3.01%	2.97%	1.11%
Trading expense ratio ³	0.09%	0.13%	0.22%	0.36%	0.93%
Portfolio turnover rate ⁴	17.32%	43.09%	167.87%	130.35%	37.83%
Net asset value per unit ¹	\$22.95	\$20.29	\$14.73	\$15.79	\$14.08
Series D					
	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	
Total net asset value (000s) ¹	\$1,565	\$1,247	1,163	\$1,065	
Number of units outstanding ¹	102,863	93,136	120,204	103,351	
Management expense ratio ²	2.01%	2.51%	2.36%	2.90%	
Trading expense ratio ³	0.09%	0.13%	0.22%	0.36%	
Portfolio turnover rate ⁴	17.32%	43.09%	167.87%	130.35%	
Net asset value per unit ¹	\$15.21	\$13.39	\$9.67	\$10.30	
Series F					
	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017
Total net asset value (000s) ¹	\$41,286	\$31,751	27,086	\$19,900	\$5,039
Number of units outstanding ¹	1,749,132	1,530,203	1,817,197	1,259,137	357,172
Management expense ratio ²	1.71%	1.91%	1.92%	2.06%	1.10%
Trading expense ratio ³	0.09%	0.13%	0.22%	0.36%	0.93%
Portfolio turnover rate ⁴	17.32%	43.09%	167.87%	130.35%	37.83%
Net asset value per unit ¹	\$23.60	\$20.75	\$14.91	\$15.80	\$14.11
Series I					
	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	
Total net asset value (000s) ¹	–	–	\$ –	\$12	
Number of units outstanding ¹	–	–	1	1,115	
Management expense ratio ²	–	–	0.35%	0.80%	
Trading expense ratio ³	–	–	0.22%	0.36%	
Portfolio turnover rate ⁴	–	–	167.87%	130.35%	
Net asset value per unit ¹	–	–	\$10.00	\$10.70	

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Series PTF	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	–	–	\$ –	\$ –
Number of units outstanding ¹	–	–	1	1
Management expense ratio ²	–	–	0.00%	0.00%
Trading expense ratio ³	–	–	0.22%	0.36%
Portfolio turnover rate ⁴	–	–	167.87%	130.35%
Net asset value per unit ¹	–	–	\$10.00	\$10.00

Series ETF	Jun 30, 2021
Total net asset value (000s) ¹	\$4,578
Number of units outstanding ¹	225,000
Management expense ratio ²	1.65%
Trading expense ratio ³	0.09%
Portfolio turnover rate ⁴	17.32%
Net asset value per unit ¹	\$20.35

1 This information is provided as at June 30, 2021 and December 31 for the years shown prior to 2021.

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. 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.

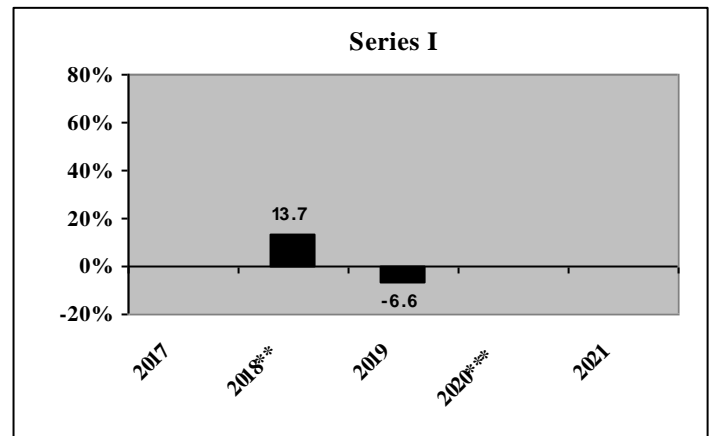
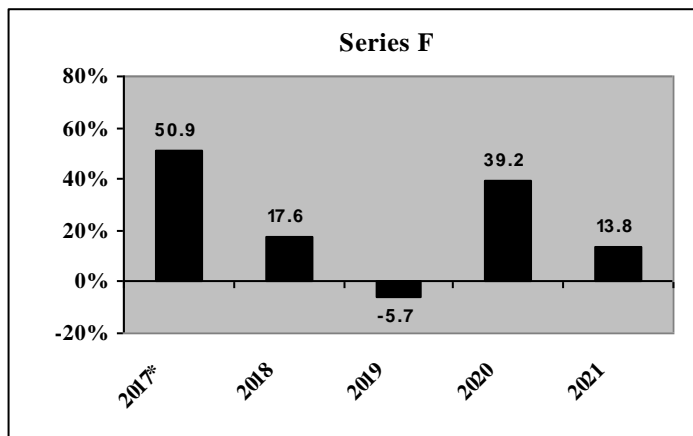
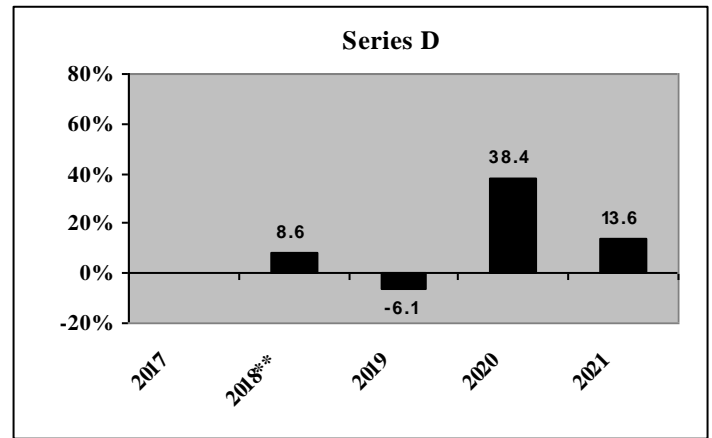
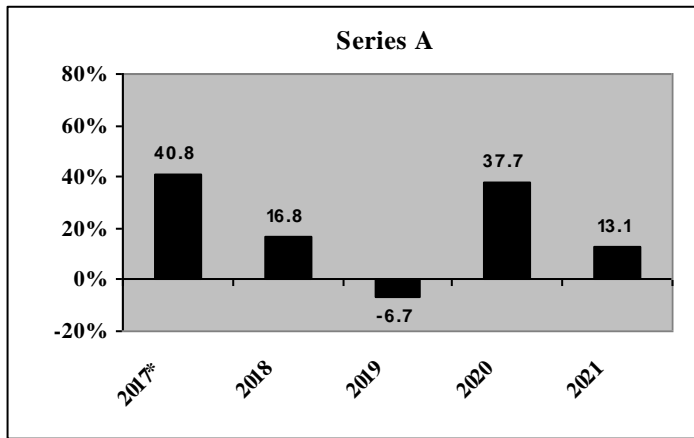
4 The Fund’s portfolio turnover rate indicates how actively the Fund’s Portfolio Manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio 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. The portfolio turnover is expressed as a non-annualized percentage.

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.

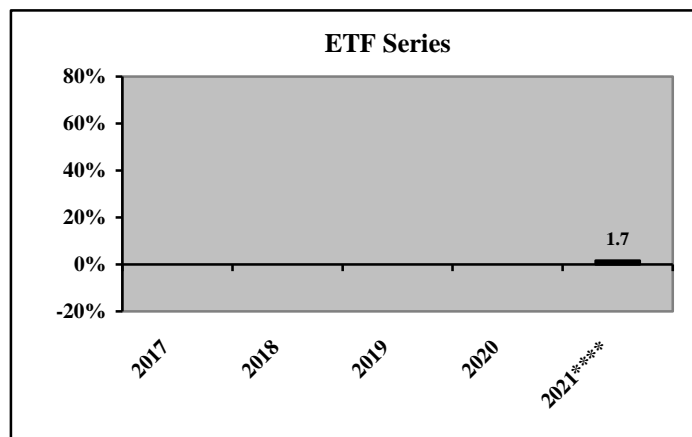
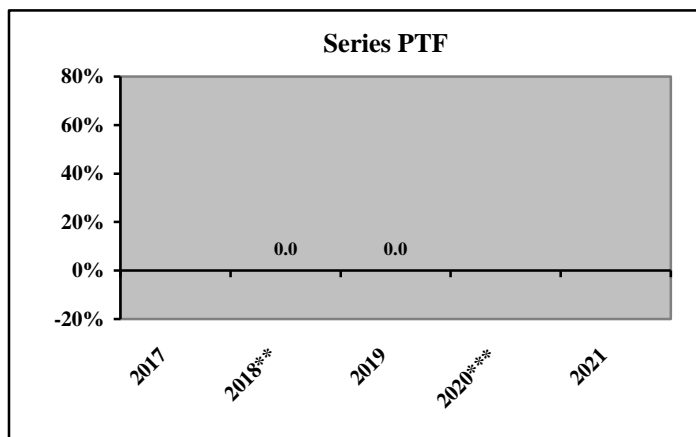
Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the period ended June 30, 2021 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.



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* Return from March 30, 2017 (launch date) for Series A, and August 4, 2017 (first issuance) for Series F, to December 31, 2017 (not annualized).
 ** Return from May 25, 2018 (first issuance) for Series I, June 6, 2018 (first issuance) for Series D, and October 17, 2018 (first issuance) for Series PTF, to December 31, 2018 (not annualized).
 *** Series I units and Series PTF units were fully redeemed during the year-ended December 31, 2020.
 **** Return from May 12, 2021 (first issuance) to June 30, 2021 for ETF Series (not annualized).

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Summary of Investment Portfolio

As at June 30, 2021

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Cannabis	55.3
Pharmaceuticals & Health Technology	14.6
Other Wellness	13.9
Organics, Supplements & Nutraceuticals	4.8
Funds	4.7
Loans	1.0
Total Long Positions	94.3
Cash	3.9
Other Net Assets	1.8
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Green Thumb Industries Inc.	11.3
Trulieve Cannabis Corporation	9.2
Curaleaf Holdings Inc.	6.0
Johnson & Johnson	4.7
Ninepoint High Interest Savings Fund, Series I	4.7
Harvest Health & Recreation Inc.	4.2
Cash	3.9
Village Farms International Inc.	3.5
Cresco Labs Inc.	3.5
TerrAscend Corporation	3.0
Jamieson Wellness Inc.	2.9
Pfizer Inc.	2.7
Columbia Care Inc.	2.6
UnitedHealth Group Inc.	2.5
Verano Holdings Corporation	2.5
The Procter & Gamble Company	2.2
IM Cannabis Corporation	2.2
Americold Realty Trust	2.2
Innovative Industrial Properties Inc., REIT	2.1
SunOpta Inc.	1.9
Planet 13 Holdings Inc.	1.7
Abbott Laboratories	1.7
AMN Healthcare Services Inc.	1.5
Ayr Wellness Inc.	1.5
Merck & Company Inc.	1.3
Total 25 long positions as a percentage of Net Asset Value	85.5

The Fund held no short positions as at June 30, 2021.

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. In addition, the simplified prospectus and other information about the underlying funds are available on the internet at www.ninepoint.com or www.sedar.com.

Corporate Information

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