



Ninepoint UIT Alternative Health Fund

(formerly, UIT Alternative Health Fund)

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2018

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.

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Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Ninepoint UIT Alternative Health Fund (formerly, UIT 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. It will invest in a portfolio of companies that are listed on North American exchanges 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. As part of its investment strategy, the Fund is designed to ensure that its portfolio is well diversified and to reduce the Fund’s concentration in any one security.

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.

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 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 9.4% in the first half of 2018, while its blended benchmark returned 7.5%.

The most significant events for the cannabis sector in the period revolved around Canadian and provincial government announcements with respect to the implementation of cannabis legalization. These included the Senate amendments to Bill C-45 in early June, the federal government’s approval of Bill C-45, the announcement of the date when the recreational market will commence and the allowed products, and provincial supply agreements.

The Fund was generally positioned with a significant weighting towards licensed producers of cannabis.

Asset allocation contributed significantly to the Fund’s performance. The Fund maintained higher-than-average cash levels at times earlier in the period when the Manager believed valuations and trading ranges were stretched after merger and acquisition activity took valuations to new heights. Those heights were followed by a period of sell-offs, which then led to new opportunities and new entrants. As a result, the Fund was able to deploy that cash in the latter part of the period.

Sector allocation also contributed to performance, with greater emphasis on non-cannabis holdings early in the period when the cannabis sector was weaker.

Individual contributors to the Fund’s performance included CanniMed Therapeutics Inc., MedReleaf Corp., Canopy Growth Corp. and Jamieson Wellness Inc. CanniMed and MedReleaf both received buyout offers. Jamieson Wellness, a leading nutraceutical manufacturer and distributor, also outperformed.

Individual detractors from the Fund’s performance included CannTrust Holdings Inc. and NutriSystem Inc. The share price of CannTrust, a medically focused company, declined as investors focused on the recreational cannabis market. NutriSystem, a leading provider of weight-loss products, released a disappointing earnings forecast. The Manager added to the position after the sell-off.

During the period, the Fund took advantage of significant volatility in the cannabis sector to deploy sh. In addition, the Manager broadened the scope and geographic focus of the Fund as new investment opportunities, particularly in the cannabis sector, became available.

The Fund’s net asset value increased by 134.5% during the period, from \$7.7 million as at December 31, 2017 to \$18.0 million as at June 30, 2018. This change was predominantly due to net subscriptions of \$9.3 million and realized gains on investments of \$0.7 million. The management expense ratio increased 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 2.25% for Series A units, 1.75% for Series D units, 1.25% for Series F units and as negotiated by the unitholders for Series I. 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 six-month period ended June 30, 2018, the Fund incurred management fees of \$86,012 (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 UIT Alternative Health Fund – Series A | 72% | 28% |
| Ninepoint UIT Alternative Health Fund – Series D | 69% | 31% |
| Ninepoint UIT Alternative Health Fund – Series F | 100% | – |
| Ninepoint UIT Alternative Health Fund – Series I | 100% | – |

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$247 during the six-month period ended June 30, 2018 to 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.

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 six-month period ended June 30, 2018 and each of the previous twelve-month periods ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit¹

| | Jun 30, 2018 | Dec 31, 2017 ⁴ |
|--|-------------------------|------------------------------|
| | \$ | \$ |
| Series A | | |
| Net assets, beginning of period | 14.08 | 10.00 |
| Increase (decrease) from operations: | | |
| Total revenue | 0.05 | 0.04 |
| Total expenses | (0.17) | (0.17) |
| Realized gains (losses) for the period | 0.82 | 0.71 |
| Unrealized gains (losses) for the period | 0.13 | 8.51 |
| Total increase (decrease) from operations² | 0.83 | 9.09 |
| Distributions: | | |
| From income (excluding dividends) | - | - |
| From dividends | - | - |
| From capital gains | - | (0.24) |
| Return of capital | - | - |
| Total annual distributions³ | - | (0.24) |
| Net assets, end of period | 15.40 | 14.08 |

| | Jun 30, 2018⁵ |
|--|-------------------------------------|
| | \$ |
| Series D | |
| Net assets, beginning of period | 10.25 |
| Increase (decrease) from operations: | |
| Total revenue | - |
| Total expenses | (0.01) |
| Realized gains (losses) for the period | (0.03) |
| Unrealized gains (losses) for the period | (0.24) |
| Total increase (decrease) from operations² | (0.28) |
| Distributions: | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| Total annual distributions³ | - |
| Net assets, end of period | 10.13 |

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| | Jun 30, 2018 | Dec 31, 2017 ⁴ |
|--|-----------------|------------------------------|
| | \$ | \$ |
| Series F | | |
| Net assets, beginning of period | 14.11 | 9.48 |
| Increase (decrease) from operations: | | |
| Total revenue | 0.04 | 0.02 |
| Total expenses | (0.14) | (0.13) |
| Realized gains (losses) for the period | 0.92 | 1.01 |
| Unrealized gains (losses) for the period | 0.75 | 6.88 |
| Total increase (decrease) from operations² | 1.57 | 7.78 |
| Distributions: | | |
| From income (excluding dividends) | - | - |
| From dividends | - | - |
| From capital gains | - | (0.29) |
| Return of capital | - | - |
| Total annual distributions³ | - | (0.29) |
| Net assets, end of period | 15.45 | 14.11 |

| | Jun 30, 2018 ⁵ |
|--|------------------------------|
| | \$ |
| Series I | |
| Net assets, beginning of period | 10.00 |
| Increase (decrease) from operations: | |
| Total revenue | 0.01 |
| Total expenses | (0.01) |
| Realized gains (losses) for the period | 0.04 |
| Unrealized gains (losses) for the period | 0.29 |
| Total increase (decrease) from operations² | 0.33 |
| Distributions: | |
| From income (excluding dividends) | - |
| From dividends | - |
| From capital gains | - |
| Return of capital | - |
| Total annual distributions³ | - |
| Net assets, end of period | 10.51 |

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, and June 6, 2018 (first issuance) for Series D, to June 30, 2018.

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Ratios and Supplemental Data

| | Jun 30, | Dec 31, |
|---|----------------|---------|
| | 2018 | 2017 |
| Series A | | |
| Total net asset value (000s) ¹ | \$8,709 | \$2,643 |
| Number of units outstanding ¹ | 565,592 | 187,684 |
| Management expense ratio ² | 2.02% | 1.11% |
| Trading expense ratio ³ | 0.38% | 0.93% |
| Portfolio turnover rate ⁴ | 29.37% | 37.83% |
| Net asset value per unit ¹ | \$15.40 | \$14.08 |
| Series D | | |
| | Jun 30, | |
| | 2018 | |
| Total net asset value (000s) ¹ | \$35 | |
| Number of units outstanding ¹ | 3,473 | |
| Management expense ratio ² | 2.23% | |
| Trading expense ratio ³ | 0.38% | |
| Portfolio turnover rate ⁴ | 29.37% | |
| Net asset value per unit ¹ | \$10.13 | |
| Series F | | |
| | Jun 30, | Dec 31, |
| | 2018 | 2017 |
| Total net asset value (000s) ¹ | \$9.266 | \$5,039 |
| Number of units outstanding ¹ | 599,850 | 357,172 |
| Management expense ratio ² | 1.49% | 1.10% |
| Trading expense ratio ³ | 0.38% | 0.93% |
| Portfolio turnover rate ⁴ | 29.37% | 37.83% |
| Net asset value per unit ¹ | \$15.45 | \$14.11 |
| Series I | | |
| | Jun 30, | |
| | 2018 | |
| Total net asset value (000s) ¹ | \$5 | |
| Number of units outstanding ¹ | 489 | |
| Management expense ratio ² | 0.45% | |
| Trading expense ratio ³ | 0.38% | |
| Portfolio turnover rate ⁴ | 29.37% | |
| Net asset value per unit ¹ | \$10.51 | |

1 The information is provided as at June 30, 2018 and December 31 of the years shown prior to 2018.

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 ("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 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.

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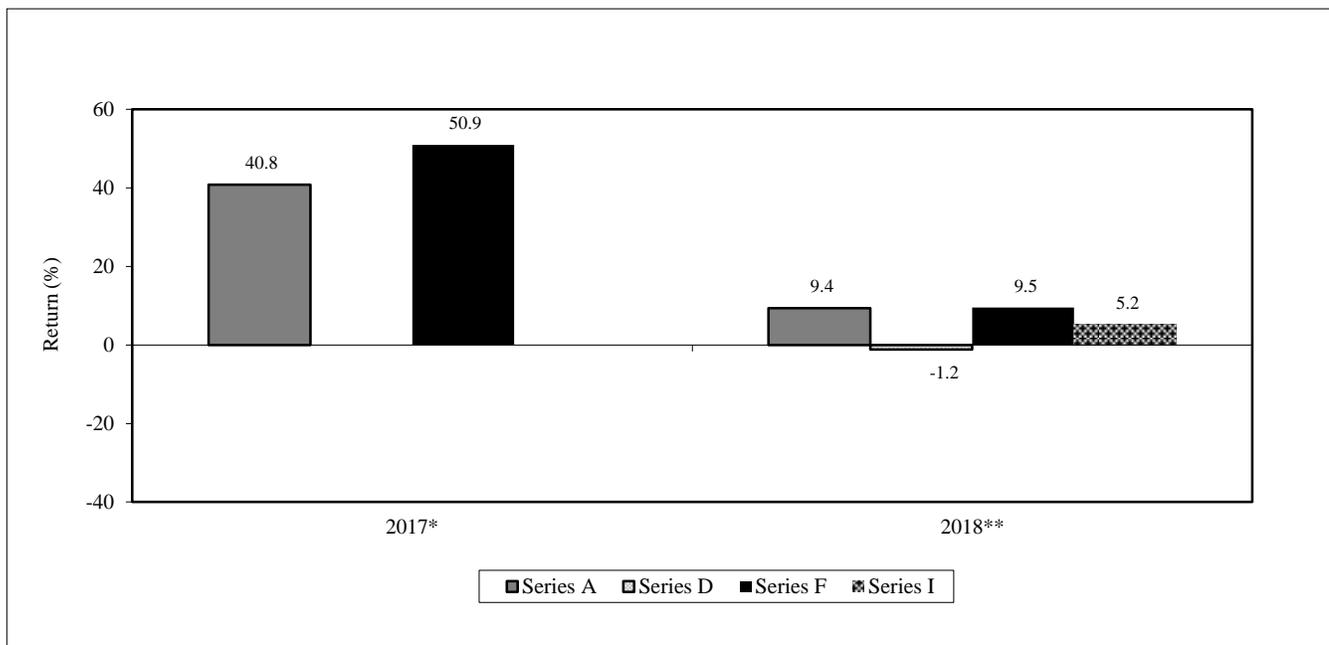
(formerly, *UIT Alternative Health Fund*)

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 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 the six-month period ended June 30, 2018 and each of the previous twelve-month periods ended December 31 shown, unless otherwise noted. 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.



* Return from March 30, 2017 (launch date) for Series A, and August 4, 2017 for Series F, to December 31, 2017 (not annualized).

** Return from May 25, 2018 for Series I, and June 6, 2018 for Series D, to June 30, 2018 (not annualized).

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Summary of Investment Portfolio

As at June 30, 2018

| Portfolio Allocation | | Top 25 Long Positions | |
|--|-------------------------|---|-------------------------|
| | % of Net Asset Value | Issuer | % of Net Asset Value |
| Long Positions | | Cash | 14.6 |
| Cannabis | 49.4 | Aphria Inc. | 7.3 |
| Other Wellness | 16.4 | CannTrust Holdings Inc. | 6.5 |
| Pharmaceuticals & Health Technology | 12.8 | Canopy Growth Corp. | 6.3 |
| Organics, Supplements & Nutraceuticals | 9.1 | OrganiGram Holdings Inc. | 5.5 |
| <u>Total Long Positions</u> | <u>87.7</u> | MedReleaf Corp. | 4.5 |
| Cash | 14.6 | Green Thumb Industries Inc. | 3.6 |
| Other Net Liabilities | (2.3) | Hydrothecary Corp. (The) | 3.5 |
| <u>Total Net Asset Value</u> | <u>100.0</u> | Jamieson Wellness Inc. | 3.1 |
| | | Vocera Communications Inc. | 3.1 |
| | | Savaria Corp. | 2.9 |
| | | UnitedHealth Group Inc. | 2.9 |
| | | CannaRoyalty Corp. | 2.8 |
| | | SunOpta Inc. | 2.7 |
| | | GW Pharmaceuticals PLC | 2.5 |
| | | Pinnacle Foods Inc. | 2.5 |
| | | Procter & Gamble Co. (The) | 2.2 |
| | | Liberty Health Sciences Inc. | 2.1 |
| | | Pfizer Inc. | 2.1 |
| | | Johnson & Johnson | 2.0 |
| | | Planet Fitness Inc. | 1.9 |
| | | AbbVie Inc. | 1.9 |
| | | Abbott Laboratories | 1.7 |
| | | Akumin Inc. | 1.7 |
| | | K-Bro Linen Inc. | 1.4 |
| | | <u>Total 25 long positions as a percentage of net asset value</u> | <u>91.3</u> |

The Fund held no short positions as at June 30, 2018.

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

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