



Ninepoint Bitcoin ETF

*Annual Financial Statements
and Independent Auditors' Report thereon*

December 31
2021



KPMG LLP
Bay Adelaide Centre
333 Bay Street, Suite 4600
Toronto, ON M5H 2S5
Canada
Tel 416-777-8500
Fax 416-777-8818

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Ninepoint Bitcoin ETF:

Opinion

We have audited the financial statements of Ninepoint Bitcoin ETF (the "Fund") which comprise:

- the statement of financial position as at December 31, 2021;
- the statement of comprehensive income (loss) for the period from January 27, 2021 to December 31, 2021;
- the statement of changes in net assets attributable to holders of redeemable units for the period then ended;
- the statement of cash flows for the period from January 27, 2021 to December 31, 2021; and
- notes to the financial statements, including a summary of significant accounting policies.

(hereinafter referred to as the "**financial statements**").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021, and its financial performance and its cash flows for the period from January 27, 2021 to December 31, 2021 in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' responsibilities for the audit of the financial statements**" section of our report.



We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the statement of financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Kathleen L. McGarry.

Toronto, Canada

March 30, 2022

Ninepoint Bitcoin ETF

Statement of Financial Position

(in U.S. Dollars)

As at December 31

2021

5

	2021
Assets	
Current assets	
Digital assets at fair value (note 3, 5)	55,999,051
Cash	210,225
Due from broker	4,799
Total assets	56,214,075
Liabilities	
Current liabilities	
Management fees payable (note 10)	242
Total liabilities	242
Net Assets attributable to holders of redeemable units	56,213,833
Net Assets attributable to holders of redeemable units per series per unit	13.71
Net Assets attributable to holders of redeemable units per series per unit SCAD	17.34

See accompanying notes which are an integral part of these financial statements

On behalf of the Manager, Ninepoint Partners LP,
by its General Partner, Ninepoint Partners GP Inc.



John Wilson
DIRECTOR



James Fox
DIRECTOR

Ninepoint Bitcoin ETF

Statement of Comprehensive Income (Loss)

(in U.S. Dollars)

For the period from January 27, 2021 to December 31, 2021

	2021
	5
Income	
Interest income	178
Net realized gains (losses) on sales of digital assets	78,138,688
Change in unrealized appreciation (depreciation) in the value of digital assets	17,706,027
Net realized gains (losses) on foreign exchange	132,010
Total income (loss)	95,976,903
Expenses (note 10, 11)	
Management fees	1,092,617
Custodial fees	706,623
Administrative fees	153,797
Audit fees	141,147
Unitholder reporting fees	31,656
Legal fees	9,690
Interest expense and bank charges	7,226
Filing fees	2,336
Independent Review Committee fees (note 13)	1,194
Total expenses	2,146,286
Expenses waived or absorbed by the Manager (note 11)	(143,274)
Net expenses	2,003,012
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations	93,973,891
Weighted average number of redeemable units	10,135,075
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations per series per unit (note 3)	9.27

See accompanying notes which are an integral part of these financial statements

Ninepoint Bitcoin ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(in U.S. Dollars)

For the period from January 27, 2021 to December 31, 2021

	2021
	\$
Net Assets attributable to holders of redeemable units, beginning of period	-
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations	93,973,891
Distributions to holders of redeemable units	
Redeemable unit transactions	
Proceeds from redeemable units issued	181,874,757
Agents' fees and issue expenses	(6,216,898)
Redemption of redeemable units	(213,417,917)
	(37,760,058)
Net increase (decrease) in Net Assets attributable to holders of redeemable units	56,213,833
Net Assets attributable to holders of redeemable units, end of period	56,213,833

See accompanying notes which are an integral part of these financial statements

Ninepoint Bitcoin ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units *continued*

For the period from January 27, 2021 to December 31, 2021

	2021
Units, beginning of period	-
Redeemable units issued	18,598,866
Redemption of redeemable units	(14,500,000)
Units, end of period (note 8)	4,098,866

See accompanying notes which are an integral part of these financial statements

Ninepoint Bitcoin ETF

Statement of Cash Flows

(in U.S. Dollars)

For the period from January 27, 2021 to December 31, 2021

2021

5

Cash flows from operating activities

Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations	93,973,891
Foreign exchange (gains) losses on cash	(11)
Net realized (gains) losses on sales of digital assets	(78,138,688)
Change in unrealized (appreciation) depreciation in the value of digital assets	(17,706,027)
Purchases of digital assets	(174,036,369)
Proceeds from sale of digital assets	213,877,234
Net increase (decrease) in other assets and liabilities	242
Net cash provided by (used in) operating activities	37,970,272

Cash flows from financing activities

Proceeds from redeemable units issued	181,874,757
Redemption of redeemable units	(213,417,917)
Agents' fees and issue expenses	(6,216,898)
Net cash provided by (used in) financing activities	(37,760,058)

Foreign exchange gains (losses) on cash	11
Net increase (decrease) in cash	210,214
Cash (Bank indebtedness), beginning of period	-
Cash (Bank indebtedness), end of period	210,225

Supplemental Information

Interest received	178
Interest paid	7,226

See accompanying notes which are an integral part of these financial statements

Ninepoint Bitcoin ETF

Schedule of Investment Portfolio

(in U.S. Dollars)

As at December 31, 2021

		Average Cost	Fair Value
		\$	\$
UNITS	DIGITAL ASSETS [99.62%]		
	BITCOIN [99.62%]		
1,218	Bitcoin	38,293,024	55,999,051
Total digital assets [99.62%]		38,293,024	55,999,051
Cash and other assets less liabilities [0.38%]			214,782
Total Net Assets attributable to holders of redeemable units [100.00%]			56,213,833

See accompanying notes which are an integral part of these financial statements

Ninepoint Bitcoin ETF

Notes to financial statements – Fund specific information December 31, 2021

(in U.S. Dollars)

Digital Assets Risk Management *(note 6)*

Investment Objective

The objective of the Fund is to provide Unitholders with exposure to digital currency Bitcoin through an institutional-quality platform that is cost-efficient to Unitholders and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin.

The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2021. Significant risks that are relevant to the Fund are discussed here. General information on risks and risk management is described in *Note 6 Financial Risk Management* of the Generic Notes.

Concentration Risk

As at December 31, 2021, the Fund's concentration risk as a percentage of Net Assets attributable to holders of redeemable units is shown in the table below.

	December 31, 2021
	%
Bitcoin	99.62
Cash and other assets less liabilities	0.38
Total Net Assets attributable to holders of redeemable units	100.00

Fair Value Measurements *(note 5)*

As at December 31, 2021, the Fund's digital assets, which are measured at fair value, have been categorized based upon the fair value hierarchy as shown in the table below.

December 31, 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Bitcoin	55,999,051	–	–	55,999,051
Total	55,999,051	–	–	55,999,051

During the period from January 27, 2021 to December 31, 2021, there were no significant transfers between the levels.

Management Fees *(note 11)*

The Fund will pay an annual management fee to the Manager equal to 0.70% of the Fund's Net assets attributable to holders of redeemable units plus applicable taxes.

See accompanying generic notes which are an integral part of these financial statement

Generic Notes to Financial Statements December 31, 2021

1. Establishment of the Fund

Ninepoint Bitcoin ETF is an open-ended mutual fund trust (the “Fund”). The Fund was established as a closed-ended fund under the laws of the Province of Ontario pursuant to a trust agreement dated January 12, 2021, as amended and restated on May 6, 2021 when the Fund converted to an exchange-traded fund (“ETF”). The Fund was publicly launched and listed on January 27, 2021 under the tickers BITC.U and BITC (formerly, BITC.U and BITC.UN) in U.S. dollars and Canadian dollars, respectively. Ninepoint Partners LP (the “Manager”) is the manager and portfolio advisor of the Fund. Cidel Trust Company acts as the custodian of the Fund. Gemini Trust Company, LLC acts as the sub-custodian of the Fund in respect of Fund’s holdings of Bitcoin pursuant to a sub-custodian agreement. The address of the Fund’s registered office is 200 Bay Street, Toronto, Ontario.

The Statement of Financial Position of the Fund is as at December 31, 2021. The Statement of Comprehensive Income (Loss), Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows for each Fund are for the period January 27, 2021 to December 31, 2021. The Schedule of Investment Portfolio for the Fund is as at December 31, 2021.

These financial statements were approved for issuance by the Manager on March 30, 2022.

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and include estimates and assumptions made by the Manager that may affect the reported amounts of assets, liabilities, income, expenses and the reported amounts of changes in Net Assets during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, the Fund is an investment entity and primarily all digital assets are measured at fair value in accordance with IFRS.

The financial statements are presented in U.S. dollars, which is the Fund’s functional currency.

3. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund:

CLASSIFICATION AND MEASUREMENT OF DIGITAL ASSETS

Digital assets are cryptocurrencies such as Bitcoin, which are an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. The Fund invests solely in Bitcoin. The Manager considers it appropriate to classify and measure the Fund’s digital assets in accordance with IAS 2, *Inventory* (“IAS 2”). Refer to Note 4 for discussion of judgments made in determining the Fund’s accounting policy with respect to digital assets. As such, the digital assets are measured at fair value less cost to sell with changes in fair value of the digital assets recognized in profit or loss.

The cost of digital assets represents the fair value of the digital assets at the time of purchase.

The Fund’s digital assets are valued using the MVIS CryptoCompare Bitcoin Benchmark Rate Index (“MVIBBR”) maintained by MV Index Solutions GmbH (“MVIS”), or a successor or alternative institutional-quality index. MVIBBR is designed to measure the performance of a single Bitcoin traded in US Dollars. It is calculated using a volume weighted median price average that is based on twenty, three-minute intervals. Bitcoin held by the Fund is valued based on the MVIBBR price at 4:00 pm eastern standard time on the reporting date. The difference of this price compared to the price in the principal market is immaterial to the financial statements.

In the event that the Manager determines that it is in the best interest of the Fund to select another pricing source for the Bitcoin held by the Fund, the Manager will have regard for the appropriateness and reliability of the data. MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation, a large, long-standing, and well-regarded financial services firm.

All financial assets and financial liabilities are classified at amortized cost. They are recognized at fair value upon initial recognition and subsequently measured at amortized cost. The Fund’s obligation for Net Assets attributable to holders of redeemable units is presented at the redemption amount.

DIGITAL ASSET TRANSACTIONS AND INCOME RECOGNITION

Digital asset transactions are accounted for on the business day the order to buy or sell is executed.

Generic Notes to Financial Statements December 31, 2021

Digital assets are derecognized when the Fund disposes of the Bitcoin. All unrealized gains (losses) arising from digital assets holdings are recorded as part of “Change in unrealized appreciation (depreciation) in value of digital assets” in the Statements of Comprehensive Income (Loss) until the digital asset holdings are sold, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income (Loss) in “Net realized gain (loss) on sale of digital assets”. Realized gains and losses arising from the sale of digital assets and unrealized appreciation and depreciation on digital assets are calculated with reference to the average cost of the related digital assets.

FOREIGN CURRENCY TRANSLATION

The fair values of foreign-currency-denominated assets are translated into U.S. dollars using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into U.S. dollars at the rate of exchange prevailing on the respective dates of such transactions.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in “Change in unrealized appreciation (depreciation) in the value of digital assets” in the Statement of Comprehensive Income (Loss). Realized foreign exchange gains or losses from sales of digital assets and cash in foreign currencies are included in “Net realized gains (losses) on foreign exchange” in the Statement of Comprehensive Income (Loss).

CASH

Cash is comprised of cash on deposit with financial institutions.

CALCULATION OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The Net Assets attributable to holders of redeemable units per unit is based on the fair value of the Fund’s assets less liabilities divided by the total outstanding units of that series. As this is a single-series fund, income, expenses, realized and unrealized gains (losses) on investments and transaction costs are all directly attributable to the Fund. The units of the Fund are classified as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation* (“IAS 32”), as they do not meet the definition of puttable instruments to be classified as equity per IAS 32 for financial reporting purposes.

INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT

“Increase (decrease) in Net Assets attributable to holders of redeemable units from operations per series per unit” in the Statement of Comprehensive Income (Loss) represents the increase (decrease) in Net Assets attributable to holders of redeemable units from operations per series, divided by the weighted average number of units of the series outstanding during the period, which is presented in the Statement of Comprehensive Income (Loss).

INCOME TAXES

The Fund is not taxed on that portion of income and net realized capital gains that is paid or payable to unitholders. No provision for income taxes has been recorded in the Fund as sufficient income and net realized capital gains are paid to unitholders. Non-capital losses may be carried forward for up to 20 years, and can be offset against future taxable income. Capital losses may be carried forward indefinitely to be applied against future capital gains.

The Fund qualifies as a mutual fund trust under the *Income Tax Act* (Canada), and accordingly the Fund may also retain some net capital gains by utilizing the capital gains refund mechanism available to mutual fund trusts without incurring any income taxes.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Fund has determined there are no IFRS standards that are issued but not yet effective that could materially impact the Fund’s financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

CLASSIFICATION AND MEASUREMENT OF DIGITAL ASSETS

Digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and the Manager continues to monitor new comments and interpretations released by IASB and other standard setters from around the world.

Generic Notes to Financial Statements December 31, 2021

In classifying and measuring digital assets held by the Fund, the Manager is required to make significant judgments in determining the most appropriate classification. The Manager considers it appropriate to classify and measure the Fund's digital assets in accordance with IAS 2, *Inventory* ("IAS 2"). Changes in the fair value of digital assets inventory are included in profit or loss for the period.

5. Fair Value Measurements

The Fund uses a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's digital assets. The fair value hierarchy has the following levels:

- Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 Prices, inputs or complex modeling techniques that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value hierarchy for the Fund is included in the Notes to financial statements – Fund specific information.

For the period ended from January 27, 2021 to December 31, 2021, all digital assets held by the Fund were classified a Level 1. There were no material transfers between levels during the period.

6. Digital Assets Risk Management

The Fund is exposed to risks that are associated with its investment strategies, digital assets and markets in which it invests. The extent of risk within the Fund is largely contingent upon the Fund's investment policy and guidelines as stated in its prospectus, and the management of such risks is contingent upon the qualification and diligence of the portfolio manager designated to manage the Fund. The Schedule of Investment Portfolio groups securities by asset type, sector or geographic region. Significant risks that are relevant to the Fund are discussed below. Refer to the Notes to Financial Statements – Fund Specific Information of each Fund for specific risk disclosures.

FLUCTUATIONS IN THE VALUE OF BITCOIN

The NAV of the Units will vary according to, among other things, the value of Bitcoin included in the Fund's portfolio. The value of the Bitcoin will be influenced by factors which are not within the control of the Fund or the Manager, including factors that affect the cryptocurrency markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to Bitcoin.

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will not be able to generate sufficient cash resources to fulfill its payment obligations and other liabilities which generally are immaterial in nature. The Fund predominantly invests in Bitcoin that is traded on established, regulated platforms as well in the OTC (over-the-counter) market using regulated counterparties. Consequently, the Fund is able to readily dispose of assets, if necessary, to fund redemptions in the course of operations. The Fund traditionally maintains a cash reserve in anticipation of normal redemption activity.

CONCENTRATION RISK

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographic region, asset type or industry sector. The Fund's investment objective is to provide unitholders exposure to Bitcoin and the Fund is not expected to have exposure to any other investments or assets. Other than cash or cash equivalents, the Fund will invest substantially all its assets in Bitcoin. The NAV of the Fund may be more volatile than the value of a more broadly diversified portfolio or investment fund and may fluctuate substantially over short period of time. This may have a negative impact on the NAV of the Fund.

RISKS SPECIFIC TO BITCOIN

Volatility in the Price of Bitcoin

The Bitcoin held by the Fund is valued, including for purposes of determining the NAV of the Fund, based upon the MVIBBR at a certain time of the day. The MVIBBR is calculated hourly as the volume weighted median price average, based on twenty, three-minute intervals from five exchanges.

The MVIBBR will not necessarily be reflective of the price of Bitcoin available at a given time when executing the Fund's trades and on any given Bitcoin trading platform or other venue where the Fund's trades are executed. This may adversely affect the unitholder and the Fund.

Generic Notes to Financial Statements December 31, 2021

7. Capital Management

The capital of a Fund is represented by the issued and outstanding units and the net assets attributable to participating unitholders. The Manager utilizes the capital of the Fund in accordance with its investment objectives, strategies and restrictions, as outlined in the Fund's prospectus, while maintaining sufficient liquidity to meet normal redemptions. The Fund does not have any internally or externally imposed capital requirements.

By way of unitholder approval, the Fund converted from a closed-ended fund to an exchange-traded fund on May 6, 2021. Units were converted on a 1:1 basis and continued to trade on the Toronto Stock Exchange.

8. Redeemable Units

The Fund is permitted to issue an unlimited number of series of redeemable units and an unlimited number of redeemable units of the ETF Series. The number of redeemable units issued and outstanding as of the end of the period are reflected in the Statement of Changes in Net Assets.

Redeemable units of the Fund's ETF Series are redeemable at the option of the unitholders, in accordance with the offering documents of the Fund, on any Valuation Date for cash at a redemption price per ETF Series unit equal to 95% of the closing exchange price of the ETF Series unit on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Series security. ETF Series securities may be sold at the market price.

The ETF Series is available to all investors. Investors purchase ETF Series securities on Toronto Stock Exchange or another exchange or marketplace where the ETF Series securities are traded through a registered broker or dealer in the province or territory where the investor resides.

9. Distribution of Income and Capital Gains

The Fund makes annual distributions of net investment income and net realized capital gains to unitholders at the end of the December 15th taxation year. All distributions allocated to unitholders are either paid in cash or reinvested automatically in additional units of the Fund. These amounts are reflected on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units as part of "Distributions to unitholders" and/or "Units issued from reinvested distributions". The Fund may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital.

10. Related-Party Transactions

MANAGEMENT FEES

The Fund pays the Manager an annual management fee to cover management expenses. Management fees are unique to the Fund and each series and are subject to applicable taxes. The management fee is calculated and accrued daily and is paid on the last business day of each month based on the daily NAV of the Fund.

11. Operating Expenses and Sales Charges

The Fund pays its own operating expenses, other than marketing costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, audit, legal, safekeeping, trustee, custodial, fund administration expenses, preparation costs of financial statements and other reports to investors and Independent Review Committee ("IRC") member fees and expenses. Operating expenses are charged to all Funds pro-rata, on the basis of NAV or another measure that provides a fair and reasonable allocation.

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 Statement of Comprehensive Income (Loss). Waivers or absorptions can be terminated at any time without notice.

12. Sharing Arrangements

In addition to paying for the cost of brokerage services in respect of securities transactions, commissions paid to certain brokers may also cover research services provided to the portfolio manager. Sharing arrangements for the Fund are disclosed in the Notes to financial statements – Fund specific information, if applicable.

13. Independent Review Committee

In accordance with National Instrument 81-107, *Independent Review Committee for Investment Funds*, the Manager has established an IRC for all Funds. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds. The IRC reports annually to unitholders of the Fund on its activities, and the annual report is available on or after March 31 in each year. The Manager charges compensation paid to the IRC members and the costs of the ongoing administration of the IRC to the Fund. These amounts are recorded in the Statement of Comprehensive Income (Loss).

14. Economic Conditions

The COVID-19 virus continues to have ongoing impacts on the markets in which the Fund operates. Sectors in several countries most heavily impacted by COVID-19 since its outset continue to operate below pre-pandemic levels giving rise to elevated uncertainties. The Fund has utilized estimates, assumptions and judgments that reflect this uncertainty. As a result, the Manager has and will continually assess the performance of the portfolio and make investment decisions that are aligned with the Fund’s mandate and the best interest of its unitholders.

15. Subsequent Events

Management has evaluated subsequent events for the Fund through to March 30, 2022, the date the financial statements were available to be issued, and has concluded that there were no subsequent events relevant for financial statement disclosure, except as discussed below.

RECENT ECONOMIC DEVELOPMENTS

In March 2022, the Russian invasion of Ukraine has greatly impacted the markets around the world especially with several, recent sanctions imposed on Russia by many countries including Canada and the United States. As the combat continues, many uncertainties have arisen which has resulted in recent market volatility. The full impact of these circumstances on the global economy is still unknown and likely will not be entirely known until more time has passed. The ultimate extent of the effects from this on the Fund is uncertain but the Manager has and will continually assess the performance of the portfolio and make investment decisions that are aligned with the Fund’s mandate and the best interests of its unitholders.

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 888.362.7172
F 416.628.2397
E invest@ninepoint.com
For additional information visit our website:
www.ninepoint.com

Auditors

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

Legal Counsel

McCarthy Tétrault LLP
TD Bank Tower
66 Wellington Street West, Suite 5300
Toronto, Ontario M5K 1E6