

# NINEPOINT BITCOIN ETF

Managed by Ninepoint Partners LP



March 21, 2023

Dear Unitholders:

You are invited to join us at a special meeting (the “**Meeting**”) of Unitholders of Ninepoint Bitcoin ETF (the “**ETF**”) being held to consider and vote on a proposal to change the investment objectives of the ETF. The Meeting will be held on April 20, 2023 at 10 a.m. (Eastern Time), at the offices of McCarthy Tétrault LLP, TD Bank Tower, 53<sup>rd</sup> Floor, 66 Wellington Street West, Toronto, Ontario, Canada, M5K 1E6.

## The Change in Investment Objectives

Holders of units of the ETF (“**Units**”) are referred to as “**Unitholders**”. The Meeting is being held to consider and vote on a proposal to change the investment objectives of the ETF from the ETF’s current investment objectives, which are to seek 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. Ninepoint Partners LP (the “**Manager**” or “**Ninepoint**”) proposes changing the investment objectives (the “**Proposed Investment Objectives Change**”) of the ETF to be to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (“**Web3**”). The Manager will bear all costs related to the Meeting.

The Manager believes that Unitholders will benefit from the Proposed Investment Objectives Change for the following reasons:

1. **Greater Diversification within Web3 and the Digital Asset Industry:** The ETF’s proposed new investment objectives and strategies will offer greater diversification by providing Unitholders with exposure to widespread innovation in digital assets and the emerging field of Web3. Bitcoin, while important, is now one of several significant innovations enabled by blockchain. The new strategies will give Unitholders access to a much larger investment universe, while remaining focused on digital asset innovation.
2. **Reduced Custody Costs:** The ETF’s proposed new investment objectives and strategies will permit the ETF’s portfolio to be held with the existing primary custodian of the Manager’s other funds, CIBC Mellon Trust Company, instead of using a different third party digital asset custodian as required for the current portfolio’s Bitcoin which has become increasingly expensive for Unitholders.
3. **Growing Investment Universe:** Increasingly, leading companies in the digital asset and Web3 industry have gone public or plan to go public, and the Manager believes that this trend will continue. As this occurs, the investment universe becomes broader and deeper across different industries. The Manager

believes that this should be a tailwind for the ETF with its proposed new investment objectives and strategies setting it up for long-term success.

4. **Investors will Retain Bitcoin Exposure:** The ETF may continue to indirectly own Bitcoin via other listed Canadian cryptocurrency exchange-traded funds and will get high exposure to Bitcoin from publicly listed companies operating entirely in the digital asset world. The Manager continues to believe that Bitcoin is a staple of any Web3 portfolio and believes that this new portfolio approach gives the ETF optimal exposure to the underlying asset.

5. **Exposure to Enterprise Adoption of Web3:** The Proposed Investment Objectives Change will also allow the ETF to invest in leading companies harnessing Web3 and related technologies to transform their industry or business. In the same way the first eras of the World Wide Web unlocked new value in the economy for those firms willing to see its potential, the Manager believes that Web3 will also deliver value for enterprise leaders.

6. **Ninepoint is Uniquely Positioned in Canada to do this:** The Ninepoint Digital Asset Group has been a leader in researching and studying digital asset transformations for years. Web3 has been a central focus of the Manager since 2021.

### **Certain Other Amendments**

Subject to Unitholder approval of the Proposed Investment Objectives Change at the Meeting, and all other required approvals, the Manager proposes to change (i) the ETF's name from "Ninepoint Bitcoin ETF" to "Ninepoint Web3 Innovators Fund", (ii) the ETF's investment strategies as a consequence of the change in the ETF's investment objectives and (iii) the tickers that the ETF trades under on the Toronto Stock Exchange (the "TSX") from "BITC (CAD); BITC.U (USD)" to "TKN (CAD); TKN.U (USD)" (the "**Connected Amendments**"), each as more particularly described in the accompanying management information circular (the "**Circular**").

Additionally, in connection with the Proposed Investment Objectives Change and Connected Amendments, the Manager proposes to amend the declaration of trust and custodian agreement and/or sub-custodian agreements of the ETF in manners considered ancillary, necessary or desirable, in the opinion of the Manager to facilitate and implement the Proposed Investment Objectives Change and Connected Amendments, all as more fully described in the Circular. Following the implementation of the Proposed Investment Objectives Change, the ETF's custodian will change to CIBC Mellon Trust Company.

### **Required Approvals and Manager Recommendation**

**The board of directors of Ninepoint Partners GP Inc., the general partner of the Manager (the "Board"), has determined that the Proposed Investment Objectives Change is in the best interests of the ETF and Unitholders. The Independent Review Committee of the ETF (the "IRC") reviewed the Proposed Investment Objectives Change and the process to be followed in connection with the Proposed Investment Objectives Change, and has advised the Manager that, in the IRC's opinion, the Proposed Investment Objectives Change achieves a fair and reasonable result for the ETF. Accordingly, the Board unanimously recommends that Unitholders vote FOR the resolution approving the Proposed Investment Objectives Change (the "Investment Objectives Resolution"). The full text of the Investment Objectives Resolution is set forth in Appendix "A" of the Circular.**

In order to become effective, the Investment Objectives Resolution must be approved by a majority (greater than 50%) of Unitholders of the ETF who are present in person, or represented by proxy at the Meeting or any adjournment or postponement thereof. If approved, the Proposed Investment Objectives

Change and Connected Amendments are expected to be implemented in May, 2023, or such other time as the Manager may determine in its sole discretion, subject to obtaining any required regulatory and stock exchange (TSX) approval. If the Proposed Investment Objectives Change is not approved, the ETF will be terminated as soon as practicable in accordance with its declaration of trust. The material attributes of the Proposed Investment Objectives Change and the Connected Amendments are described in the accompanying Circular.

Attached is a notice of special meeting of Unitholders and the Circular dated March 21, 2023 that contains important information relating to the Proposed Investment Objectives Change. You are urged to read the Circular carefully and consult your financial, legal and tax advisors with respect to how to vote. In particular, the attached Circular describes among other things, the details of the Proposed Investment Objectives Change, details about the ETF, the benefits the Manager believes the Proposed Investment Objectives Change will have, the material risks associated with an investment in the ETF, how Unitholders may exercise their voting rights and where Unitholders can find additional information. If you are in doubt as to how to deal with the matters described in the Circular, you should consult your financial advisor, or, if you wish, please contact our investor relations team at Ninepoint by contacting (416) 943-6706 or (866) 299-9906 or [invest@ninepoint.com](mailto:invest@ninepoint.com).

### **Voting Information**

If you are a registered Unitholder (i.e., your name appears on the register of the Units maintained by or on behalf of the ETF) and you are unable to attend the Meeting, we encourage you to complete, sign, date and return the accompanying form of proxy (the “**Form of Proxy**”) so that your Units can be voted at the Meeting (or at any adjournments or postponements thereof) in accordance with your instructions. To be effective, the Form of Proxy must be received by the ETF’s transfer agent, TSX Trust Company (according to the instructions on the Form of Proxy), not later than 10:00 a.m. (Toronto time) on April 18, 2023, or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by telephone or by facsimile by directors, officers, employees or agents of the Manager. The cost of the solicitation of proxies for the ETF will be borne by the Manager.

If the Meeting is adjourned, the adjourned meeting will be held on such a day being not less than one day later and to such place and time as may be appointed by the chairperson of the meeting. At the adjourned meeting, the business of the Meeting will be transacted by those Unitholders present in person, or represented by proxy.

Beneficial holders of Units of the ETF (collectively “**Beneficial Holders**” and each a “**Beneficial Holder**”) should note that only proxies deposited by Unitholders whose names appear on the records of the ETF as the registered holders of Units can be recognized and acted upon at the Meeting. Units held by brokers, dealers or their nominees through CDS & Co. (“**CDS**”) can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, CDS and brokers, dealers and their nominees are prohibited from voting Units for their clients. Applicable regulatory policy requires brokers, dealers and other intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a voting instruction form that it mails to the Beneficial Holders and asks Beneficial Holders to complete and return directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instruction respecting the voting of Units to be represented at the Meeting. Voting instruction forms sent by Broadridge Financial Solutions, Inc. may be voted by telephone or online at [www.proxyvote.com](http://www.proxyvote.com). A **Beneficial Holder**

**receiving a voting instruction form cannot use that form to vote Units directly at the Meeting. Rather, the voting instruction form must be returned to Broadridge well in advance of the Meeting to have the Units voted.**

Sincerely,

(signed) "John Wilson"

John Wilson

Co-Chief Executive Officer and Managing Partner  
Ninepoint Partners LP, Manager of the ETF

# **NINEPOINT BITCOIN ETF**

**Managed by Ninepoint Partners LP**



**NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**March 21, 2023**

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APPENDIX A - INVESTMENT OBJECTIVES RESOLUTION

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this Circular are forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent that they relate to the ETF or the Manager. Forward-looking statements are not historical facts but reflect the current expectations of the ETF or the Manager regarding future results or events. Such forward-looking statements reflect the Manager’s current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading “Risk Factors” in the ETF’s final long form prospectus dated April 21, 2022, as amended by Amendment No.1 thereto dated March 13, 2023, and filed on the ETF’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Although the forward-looking statements contained in this Circular are based upon assumptions that the Manager believes to be reasonable, the Manager cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein were prepared for the purpose of providing Unitholders with information about the ETF and may not be appropriate for other purposes. The Manager assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

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## NINEPOINT BITCOIN ETF

### NOTICE OF SPECIAL MEETING OF UNITHOLDERS

**TAKE NOTICE** that a special meeting (the “**Meeting**”) of holders (the “**Unitholders**”) of units (the “**Units**”) of Ninepoint Bitcoin ETF (the “**ETF**”) will be held on April 20, 2023 at 10 a.m. (Eastern Time), at the offices of McCarthy Tétrault LLP, TD Bank Tower, 53<sup>rd</sup> Floor, 66 Wellington Street West, Toronto, Ontario, Canada, M5K 1E6. The purpose of the Meeting is as follows:

- (a) To consider and, if thought appropriate, approve, with or without variation, a resolution in the form attached as Appendix “A” to the accompanying management information circular (the “**Circular**”) authorizing and approving, among other things, the proposed change to the ETF’s investment objectives (the “**Proposed Investment Objectives Change**”) from (X) being to seek 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, simple and exchange-traded investment alternative for buying and holding Bitcoin to (Y) being to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (“**Web3**”) and change the name of the ETF to reflect the Proposed Investment Objectives Change; including, without limitation, all amendments to the ETF’s declaration of trust considered ancillary, necessary or desirable, in the opinion of Ninepoint Partners LP (the “**Manager**”), to facilitate and implement the Proposed Investment Objectives Change, all as more fully described in the Circular; and
- (b) To transact such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Details of the matters to be voted on at the Meeting or any adjournment(s) or postponement(s) thereof are more fully described in the accompanying Circular. In connection with the Proposed Investment Objectives Change, the Manager proposes to (i) change the ETF’s name to “Ninepoint Web3 Innovators Fund”, (ii) change the ETF’s investment strategies as a consequence of the Proposed Investment Objectives Change, (iii) change the tickers under which the ETF trades under on the Toronto Stock Exchange (the “**TSX**”) to “TKN (CAD): TKN.U (USD)”, (iv) change the ETF’s custodian to CIBC Mellon Trust Company, and (v) amend the ETF’s declaration of trust (the “**Declaration of Trust**”) to, among other things, reflect the new name and investment objectives.

Also included with this notice of special meeting and Circular, is a form of proxy (the “**Form of Proxy**”). Registered Unitholders as at March 13, 2023 (the “**Record Date**”) wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its completed, dated and signed Form of Proxy with the ETF’s transfer agent, TSX Trust Company, by mail to 301 – 100 Adelaide Street West, Toronto, ON, M5H 4H1, Canada, by facsimile transmission to (416) 595-9593, or over the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com) prior to 10 a.m. (Toronto time) on April 18, 2023, or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

Unitholders who hold their Units with a bank, broker or other financial intermediary are not registered Unitholders. Non-registered Unitholders will receive a voting instruction form in lieu of a Form of Proxy, which they can use to instruct the registered Unitholder how to vote their Units. Voting instruction forms sent by Broadridge Financial Solutions, Inc. may be voted by telephone or online at

[www.proxyvote.com](http://www.proxyvote.com). Voting instruction forms may have an earlier deadline for deposit and, as such, non-registered Unitholders should contact their broker or other intermediary through which their Units are held who may have earlier deadlines.

The proxyholder has discretion under the applicable accompanying Form of Proxy or voting instruction form with respect to any amendments or variations of the matter of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment(s) or postponement(s) thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. As of the date hereof, the Manager knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Meeting. Unitholders are encouraged to review the Circular carefully and consult with their financial, legal and tax advisors with respect to how to vote before submitting the applicable Form of Proxy or voting instruction form.

The Record Date for the determination of Unitholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is March 13, 2023. Only Unitholders whose names have been entered in the register of Units at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting.

If the Meeting is adjourned because the requisite quorum of Unitholders is not in attendance or for any other reason, the adjourned meeting will be held on such a day being not less than one day later and at such place and time as may be appointed by the chairperson of the meeting. At the adjourned meeting, the business of the Meeting will be transacted by those Unitholders present in person, or represented by proxy.

**DATED** at Toronto, Ontario as of the 21<sup>st</sup> day of March, 2023.

**By Order of the Board of Directors of Ninepoint  
Partners GP Inc., the General Partner of Ninepoint  
Partners LP, as Manager of Ninepoint Bitcoin ETF**

By: (signed) "John Wilson"  
John Wilson  
Co-Chief Executive Officer and Managing  
Partner

Unless otherwise indicated, the information in this management information circular (the “Circular”) is given as of March 17, 2023.

## PROPOSED CHANGES TO INVESTMENT OBJECTIVES

The purpose of the special meeting (the “**Meeting**”) for Unitholders of Ninepoint Bitcoin ETF (the “**ETF**”) is to consider the change of the investment objectives of the ETF. At the Meeting, holders (“**Unitholders**”) of units of the ETF (“**Units**”) will be asked to consider and, if thought appropriate, approve, with or without variation, a resolution in the form attached as Appendix “A” to this management information circular approving the change of the investment objectives of the ETF as follows (the “**Proposed Investment Objectives Change**”):

Current Investment Objectives:	Proposed Investment Objectives:
To seek 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.	To seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (“ <b>Web3</b> ”).

If the resolution is approved at the Meeting, and subject to applicable regulatory and stock exchange approvals, the Proposed Investment Objectives Change is expected to occur in May, 2023, or such other time as the Manager may determine in its sole discretion.

### Rationale and Benefits of the Proposed Investment Objectives Change

1. **Greater Diversification Within Web3 and the Digital Asset Industry:** The ETF’s proposed new investment objectives and strategies will offer greater diversification by providing Unitholders with exposure to widespread innovation in digital assets and the emerging field of Web3. Bitcoin, while important, is now one of several significant innovations enabled by blockchain. The new strategies will give Unitholders access to a much larger investment universe, while remaining focused on digital asset innovation.
2. **Reduced Custody Costs:** The ETF’s proposed new investment objectives and strategies will permit the ETF’s portfolio to be held with the existing primary custodian of the Manager’s other funds, CIBC Mellon Trust Company, instead of using a different third party digital asset custodian as required for the current portfolio’s Bitcoin which has become increasingly expensive for Unitholders.
3. **Growing Investment Universe:** Increasingly, leading companies in the digital asset and Web3 industry have gone public or plan to go public, and the Manager believes that this trend will continue. As this occurs, the investment universe becomes broader and deeper across different industries. The Manager believes that this should be a tailwind for the ETF with its proposed new investment objectives and strategies setting it up for long-term success.
4. **Investors Will Retain Bitcoin Exposure:** The ETF may continue to indirectly own Bitcoin via other listed Canadian cryptocurrency exchange-traded funds and will get high exposure to Bitcoin from publicly listed companies operating entirely in the digital asset world. The Manager continues to believe

that Bitcoin is a staple of any Web3 portfolio and believes that this new portfolio approach gives the ETF optimal exposure to the underlying asset.

5. **Exposure to Enterprise Adoption of Web3:** The Proposed Investment Objectives Change will also allow the ETF to invest in leading companies harnessing Web3 and related technologies to transform their industry or business. In the same way the first eras of the World Wide Web unlocked new value in the economy for those firms willing to see its potential, the Manager believes that Web3 will also deliver value for enterprise leaders.

6. **Ninepoint is Uniquely Positioned in Canada to do this:** The Ninepoint Digital Asset Group has been a leader in researching and studying digital asset transformations for years. Web3 has been a central focus of the Manager since 2021.

### Net Asset Value Per Unit

As at March 17, 2023, the Net Asset Value (“NAV”) per Unit was US\$7.9145 (or CAD\$10.8697).

### Name and Ticker Symbol Changes

In connection with the Proposed Investment Objectives Change, the Manager will change the name and ticker symbol of the ETF as follows:

Current Name of ETF	Current Ticker Symbol	Currency	Proposed Name of ETF (after Proposed Investment Objectives Change)	Expected Ticker Symbol (after Proposed Investment Objectives Change)
Ninepoint Bitcoin ETF	BITC.U	US\$	Ninepoint Web3 Innovators Fund	TKN.U
Ninepoint Bitcoin ETF	BITC	CAD\$	Ninepoint Web3 Innovators Fund	TKN

### General Investment Strategies of the ETF

As a consequence of the Proposed Investment Objectives Change, the Manager proposes to change the investment strategies of the ETF. The below table summarizes the ETF’s current and proposed principal investment strategies. Unitholders are only being asked to approve the new investment objectives. Investment strategies are determined by the Manager in its sole discretion and are always subject to change.

Summary of Current Investment Strategies of the ETF:	Summary of Proposed Investment Strategies (After Proposed Investment Objectives Change):
Ninepoint Bitcoin ETF seeks to achieve its investment objectives by investing directly in Bitcoin while using high quality service providers, including digital asset trading counterparties, trading platforms and custodians, and independent auditors, legal and valuation agents, in order to manage the assets of Ninepoint Bitcoin ETF. By having in-house expertise, the	The ETF will seek to achieve its investment objective by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries.

Manager offers a cost-efficient structure to Unitholders for ongoing management fees.

Ninepoint Bitcoin ETF's Bitcoin is valued based on the MVIS CryptoCompare Bitcoin Benchmark Rate Index maintained by MV Index Solutions GmbH ("MVIS"), or a successor or alternative institutional-quality index. MVIS is a wholly-owned subsidiary of Van Eck Associates Corporation, a large, long-standing, and well-regarded financial services firm.

As Ninepoint Bitcoin ETF invests in Bitcoin on a passive basis, Ninepoint Bitcoin ETF does not speculate with regard to changes in Bitcoin prices and sales of Bitcoin will generally only be undertaken by Ninepoint Bitcoin ETF as required in order to fund expenses and redemptions. In addition, Ninepoint Bitcoin ETF does not hedge any U.S. dollar currency exposure back to the Canadian dollar. Ninepoint Bitcoin ETF provides investors with the ability to invest in Bitcoin without the inconvenience and additional transaction and storage costs associated with a direct investment in Bitcoin.

Ninepoint Bitcoin ETF purchases Bitcoin through established, regulated platforms as well as in the "over the counter" market using regulated counterparties. The Manager undertakes due diligence to ensure that all counterparties and vendors adhere to know your customer and anti-money laundering rules and requirements.

The rapid growth of Bitcoin has raised some concerns over the cryptocurrency's mining-related carbon footprint. To address these issues with respect to Ninepoint Bitcoin ETF, the Manager partnered with Personal Carbon Trading Inc. ("**CarbonX**"), which through its Zerofootprint® brand, provides carbon emission analysis and carbon offsetting services. CarbonX, along with the Crypto Carbon Ratings Institute, a leading authority on providing scientific estimates for the energy consumption and environmental impact of cryptocurrencies, provides the carbon footprint analysis and carbon offsetting solutions for Ninepoint Bitcoin ETF using carbon offsets from projects that meet high global standards. The Manager purchases credits to offset 100% of the carbon footprint of the Bitcoin held by Ninepoint

The ETF will also indirectly invest in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs. The Manager will seek to gain unique insights into the leading companies who are using these technologies in a range of industries. The Manager will select securities for the ETF through a combination of quantitative and qualitative analysis, focusing on several factors, including but not limited to, assessing the merits of key personnel, analyzing the manner in which they are integrating Web3 and emerging technologies, and valuation.

The ETF will be actively managed, and the Manager will monitor the performance of the investments and adjust the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation. The ETF may invest in equity and equity-related securities of small, medium and large capitalization companies at the Manager's discretion.

The Manager will also monitor the macroeconomic environment to identify any potential risks or opportunities and regularly review the portfolio and adjust as needed seeking to ensure the portfolio is well-positioned for long-term success. The ETF's portfolio will be diversified with securities of any one issuer not exceeding 10% of the ETF's net asset value, unless permitted under NI 81-102. The Manager will also consider the liquidity of any security before investing. The ETF will not have any geographical restrictions on its investments.

The ETF will not use leverage. The ETF may use listed options and will have the ability to hedge currency at the Manager's discretion.

The ETF may also choose to:

- hold Canadian cryptocurrency ETFs.
- hold up to 100% of the ETF's assets in cash, short-term money market instruments other equivalents at any time, for cash management purposes based on the market outlook for the sectors where these companies operate.
- invest in private companies and other illiquid assets as permitted under NI 81-102.

<p>Bitcoin ETF. The Manager periodically enters the carbon offset market to balance its purchases of carbon credits against the NAV of Ninepoint Bitcoin ETF. Through this arrangement, the Manager supports various forest conservation projects in the Amazon that, in addition to avoiding the release of carbon dioxide into the atmosphere, are each contributing to the United Nations’ sustainable development goals. All of the costs of offsetting the carbon footprint of Ninepoint Bitcoin ETF are paid by the Manager out of its annual management fee, and not by Unitholders of Ninepoint Bitcoin ETF.</p>	<ul style="list-style-type: none"> <li>engage in securities lending and repurchase and reverse repurchase transactions as permitted under NI 81-102 to seek to generate additional income.</li> </ul>
<p>Generally, Ninepoint Bitcoin ETF does not borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio. Ninepoint Bitcoin ETF may however borrow money on a temporary short term basis to acquire Bitcoin in connection with a subscription for Units by a registered dealer that has entered into a dealer agreement the Manager, on behalf of the ETF, pursuant to which such dealer may subscribe for Units. Any borrowing by Ninepoint Bitcoin ETF is made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.</p>	

**Amendments to the ETF’s Declaration of Trust**

If the Proposed Investment Objectives Change is approved and the Manager goes forward with the Proposed Investment Objectives Change, the amended and restated master declaration of trust of the ETF dated as of January 5, 2022 (the “**Declaration of Trust**”) will be further amended to, among other things, reflect the Proposed Investment Objectives Change and the ETF’s new name, “Ninepoint Web3 Innovators Fund”.

**Change of Custodian and Sub-Custodian Structure**

Cidel Trust Company (the “**Current Custodian**”) and Gemini Trust Company, LLC (the “**Current Sub-Custodian**”) are the current custodian and sub-custodian of the ETF, respectively. If the Proposed Investment Objectives Change is approved and the Manager goes forward with the Proposed Investment Objectives Change, the Current Custodian and Current Sub-Custodian are expected to cease to provide custodian services to the ETF and the custodian of the ETF will be changed to CIBC Mellon Trust Company.

**Transitioning the Investment Portfolio of the ETF**

If approved, the Manager expects to change the investment objectives and strategies of the ETF in May, 2023. If the Proposed Investment Objectives Change is approved and implemented, in order to effect an orderly transition of the investment portfolio from the existing investment objectives and strategies and

investments to the proposed new investment objectives and strategies and investments, the Manager anticipates that under normal market conditions, there would be a transitional period of approximately ninety days. This transition could, however, take longer than ninety days, depending on market conditions. During this transitional period, the ETF may not be fully invested in accordance with its investment objectives and strategies.

### **Risk Rating**

The current risk rating of the Units of the ETF is “high”, and as of the date of this Circular, it is expected to remain unchanged following the implementation of the Proposed Investment Objectives Change. The Manager assigns a risk rating to the ETF as an additional guide to help investors decide whether it is right for them. This information is only a guide. The Manager determines the risk rating for the ETF in accordance with NI 81-102. The investment risk level of the ETF is required to be determined in accordance with standardized risk classification methodology that is based on the historical volatility of the ETF as measured by the 10-year standard deviation of the returns of the ETF.

The ETF’s risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional Units. As the ETF does not have at least 10 years of performance history, the Manager uses a reference index that is reasonably expected to approximate, the standard deviation of the ETF as a proxy. In determining the expected risk rating after the implementation of the Proposed Investment Objectives Change, the Manager has used a reference index for the entire 10-year period. Just as historical performance may not be indicative of future returns, the ETF’s historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist. The Manager will review the risk rating for the ETF on an annual basis or if there has been a material change to the ETF’s investment objectives or investment strategies. A copy of the methodology used by the Manager to identify the investment risk levels of the ETF is available on request, at no cost, by calling 1 (866) 299-9906.

### **TSX Acceptance and Proposed Investment Objectives Change**

The Proposed Investment Objectives Change is subject to acceptance by the TSX. The Manager has applied to effect the Proposed Investment Objectives Change and connected amendments in accordance with the TSX’s original listing requirements. The TSX has not conditionally approved the application and there is no assurance that it will do so. Subject to receiving conditional approval and satisfying the TSX’s original listing requirements, the Units will be listed on the TSX under the ETF’s new name and ticker symbol.

## **RECOMMENDATIONS**

**The board of directors of Ninepoint Partners GP Inc., the general partner of the Manager (the “Board”), has determined that the Proposed Investment Objectives Change is in the best interests of the ETF and the Unitholders and unanimously recommends that Unitholders vote FOR the resolution, the full text of which is set forth in Appendix “A” to the Circular, approving the Proposed Investment Objectives Change (the “Investment Objectives Resolution”).**

In arriving at such determinations, consideration was given to, among other things, factors set forth under “*Proposed Investment Objectives Change – Rationale and Benefits of the Proposed Investment Objectives Change*”.

**The IRC of the ETF reviewed the terms of the Proposed Investment Objectives Change and recommended that the Proposed Investment Objectives Change be put to Unitholders for their consideration on the basis that they achieve a fair and reasonable result for the ETF.**

### **NINEPOINT BITCOIN ETF**

The ETF is an alternative mutual fund established under the laws of the Province of Ontario pursuant to the Declaration of Trust. The ETF was originally established as a closed-end investment trust under the laws of Ontario and was converted into an exchange-traded fund as of May 6, 2021. The Manager acts as trustee, manager and promoter of the ETF and provides certain general management and administrative services required by the ETF. The principal office of the ETF is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1.

While the ETF is a mutual fund under the securities legislation of each of the Provinces and Territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to the ETF because the ETF is an “alternative mutual fund” within the meaning of NI 81-102. The ETF is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

#### **Management of the ETF**

Ninepoint Partners LP is the trustee and manager of the ETF and provides or causes to be provided all administrative services required by the ETF pursuant to the Declaration of Trust.

The Manager is a leading alternative investment management firm overseeing approximately CAD\$8 billion in assets under management and institutional contracts. The Manager, through its parent company, is primarily owned by John Wilson and James Fox, both former senior executives of Sprott Asset Management LP with over 27 and 20 years of experience in the investment industry, respectively. John Wilson is the Ultimate Designated Person (as defined in National Instrument 31-103-*Registration Requirements, Exemptions and Ongoing Registrant Obligations*) of the Manager.

The head office and principal place of business of the Manager is at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, PO Box 27, Toronto, Ontario M5J 2J1. The general partner of the Manager is Ninepoint Partners GP Inc.

An annual management fee (the “**Management Fee**”) of 0.70% of the ETF’s net asset value, calculated daily and payable monthly in arrears, plus applicable taxes, is paid to the Manager in respect of the Units. In addition to the management fee, and any debt servicing costs, the ETF pays all of its own expenses and all administration expenses incurred by the Manager for its duties as the manager to the ETF.

Directors and officers of the Manager collectively hold 4,210 Units representing approximately 0.14% of the issued and outstanding Units.

### **RISK FACTORS**

Certain risk factors relating to the ETF and its Units are described in the ETF’s final long form prospectus dated April 21, 2022, as amended by Amendment No. 1 thereto dated March 13, 2023 (the “**Prospectus**”) and filed under the ETF’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). For further information on

the ETF, see the Prospectus which is incorporated by reference into this Circular and is also available under the ETF's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or visit [www.ninepoint.com](http://www.ninepoint.com).

If the Proposed Investment Objectives Change is approved, in addition to the considerations set out in the Prospectus and elsewhere in this Circular, the following are certain additional considerations relating to an investment in units of the ETF that prospective investors should consider before purchasing such units of the ETF:

### **Risk Factors Relating to an Investment in the ETF Following the Implementation of the Proposed Investment Objectives Change**

**Active Management Risk:** The ETF is subject to the risk that its investment management strategies may not produce the intended results. There can be no assurance that the securities selected by the Manager will produce positive returns.

**Fluctuations in NAV and NAV per Unit:** The NAV of the Units will vary according to, among other things, the value of the assets included in the ETF's portfolio. The value of the ETF's assets will be influenced by factors which are not within the control of the ETF or the Manager, including factors that affect the cryptocurrency asset markets generally such as general economic and political conditions, fluctuations in interest rates and factors unique to cryptocurrencies, blockchain and Web3. The price, value and liquidity of blockchain technologies, cryptocurrency assets and digital assets have historically been, and may be, subject to large fluctuations on any given day and are highly volatile. The risk of loss in cryptocurrency assets may be substantial and losses may occur over a short period of time. Cryptocurrency assets may become worthless at any time. As a relatively new open source technology, it is expected that there will continue to be technical developments in blockchain technology, which could impact the value of cryptocurrency assets.

**Blockchain Investments Risk:** The ETF may hold securities issued by companies for which blockchain technology is essential for their business prospects. The participation and investment in blockchain, Web3 technologies and digital assets are speculative activities involving a high degree of risk. Blockchain technology is relatively new and untested technology that operates as a distributed ledger. The risks associated with Web3 and blockchain technology may not fully emerge until the technology is widely used, and there is no assurance that a widespread adoption of blockchain technology will occur at all. Furthermore, the uncertainties inherent in Web3 and blockchain technology as well as the development and acceptance of competing platforms or technologies could cause companies to use alternatives to Web3 and blockchain. Additionally, any future regulatory developments could adversely affect the viability and expansion of the use of blockchain technology. Given that blockchain technology systems may operate across multiple national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Digital commodities and their associated platforms are currently largely unregulated, and the regulatory environment is rapidly evolving. As a result, companies engaged in such blockchain activities may be exposed to adverse regulatory action, fraudulent activity or even failure.

Access to a given blockchain requires an individualized cryptographic key, which, if compromised, may impair the value of ownership claims that users have over the digital assets represented by a ledger, could result in loss due to theft, destruction or inaccessibility and/or adversely affect a company's business or operations if dependant on such ledger. Web3 and blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest and there is little regulation of Web3 and blockchain technology other than the intrinsic public nature of the blockchain system. Furthermore, cyber security incidents may compromise an issuer, its operations or its business. Cyber security incidents may also specifically target a user's transaction history, digital assets, or identity, thereby leading to privacy concerns.

There are a number of companies operating competing blockchain platforms and/or attempting to apply blockchain technology in a wide variety of contexts resulting in competing and conflicting intellectual property claims potentially leading to risks to issuers in the space, their operations and businesses. Digital assets that are represented and traded on a blockchain may not necessarily benefit from viable trading markets. Stock exchanges generally have listing requirements and vet issuers. These conditions may not necessarily be replicated on a blockchain, depending on the platform's controls and other policies. The more lenient a blockchain is in vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets, potentially resulting in a decreased liquidity or volume, or increased volatility of digital securities or other assets trading on a blockchain. Blockchain functionality relies on the Internet. As such, a significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect the ETF. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies included in an index may not be a reflection of their connection to blockchain technology, but may be based on other business operations. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the index.

**Cryptocurrency Risk:** Cryptocurrency operates as a decentralized, peer-to-peer financial exchange and value storage. The ETF may have exposure to cryptocurrency, either directly or indirectly through investment in Canadian cryptocurrency ETFs. Cryptocurrencies operate without central authority or banks and are not backed by any government. Cryptocurrencies may experience very high volatility, and related investment vehicles that invest in cryptocurrencies may be affected by such volatility. Cryptocurrency is not legal tender. Federal, provincial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in Canada is still developing. Cryptocurrency exchanges have stopped operating and have permanently shut down due to fraud, technical glitches, hackers or malware. Cryptocurrency exchanges are new, largely unregulated, and may be more exposed to fraud.

**Concentration Risk:** The ETF may concentrate its investment holdings in specialized industries, market sectors, geographical regions, asset classes or in a limited number of issuers. Investments in the ETF involve greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, geographical region, asset class or issuer could significantly and adversely affect the overall performance of the ETF.

**Liquidity Risk:** Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which the ETF holds may be illiquid, as they may be difficult to sell. For example, securities of small companies may be less known and may not be traded regularly. In addition, in volatile markets, securities that are generally liquid may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

**Disruptive Innovation Risk:** Companies that the Manager believes are capitalizing on disruptive innovation and developing technologies to displace other technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. The ETF may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

**Emerging Technologies Risk:** The ETF may invest in certain companies because of their use of emerging technologies associated with Web3. All of the risks associated with such technologies may not fully emerge until the technology is more widely used. The regulatory environment surrounding new technologies is often unclear. There is often uncertainty regarding the application of existing regulation and there can be no guarantee that new regulations will not be enacted that prohibit the use of a technology, modify its application, inhibit a technology's widespread adoption or prevent a company from realizing all of its potential benefits. Companies that initially develop or adopt a novel technology may not be able to capitalize on it and there is no assurance that a company will derive any significant revenue from it in the future. An emerging technology may constitute a small portion of a company's overall business and the success of a technology may not significantly affect the value of the equity securities issued by the company. In addition, a company's share price may be overvalued by market participants that value the company's securities based upon expectations of a technology that are never realized.

**Small Company Risk:** Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

**Specific Issuer Risk:** The value of all securities will vary positively or negatively with developments within the specific companies or governments which issue the securities.

**Trading Price of Units:** Units may trade in the market at a premium or discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their net asset value. The trading price of the Units will fluctuate in accordance with changes in the ETF's NAV, as well as market supply and demand on the stock exchange. However, given that generally only a prescribed number of units ("PNU") are issued to designated brokers and dealers, and that holders of a PNU (or an integral multiple thereof) may redeem such Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the Units should not be sustained.

**No Ownership Interest in the Portfolio:** An investment in Units does not constitute an investment by Unitholders in the ETF's portfolio, cash and cash equivalents included in the ETF's portfolio. Unitholders will not own the underlying assets in the ETF's portfolio or cash or cash equivalents held by the ETF.

**Changes in Legislation:** There can be no assurance that certain laws applicable to the ETF, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act ("Tax Act"), will not be changed in a manner which adversely affects the ETF or Unitholders.

**Valuation of the ETF:** Valuation of the ETF may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the NAV of the ETF could be adversely affected. The Manager may face a conflict of interest in valuing the assets held by the ETF because the values assigned will affect the calculation of the Management Fee payable by the ETF to it.

**Manager and Custodian Standard of Care:** Each of the Manager and the custodian are subject to a contractual standard of care in carrying out its duties concerning the ETF. In the case that the ETF suffers a loss of its portfolio assets and each of the Manager and the custodian satisfied its respective standard of care, the ETF will bear the risk of loss as with respect to these parties. See "*Proposed Changes to Investment Objectives – Change of Custodian and Sub-Custodian Structure*".

**Potential Conflicts of Interest:** The Manager and its directors, officers, affiliates and associates may engage in the promotion, management or investment management of other accounts, funds or trusts that invest primarily in the securities held by the ETF or that have similar investment objectives to the ETF.

Although officers, directors and professional staff of the Manager will devote as much time to the ETF as is deemed appropriate to perform their duties, the staff of the Manager may have conflicts in allocating their time and services among the ETF and the other funds managed by the Manager.

**Substantial Securityholder Risk:** The ETF may have one or more investors (including a mutual fund managed by the Manager) who hold a significant number of securities. For example, two financial institutions may have a significant principal investment. If a financial institution makes a large redemption request, the ETF may be required to sell underlying portfolio assets so that it can meet the redemption obligations. This sale may impact the market value of those portfolio investments and it may potentially impact remaining investors of the ETF. Large redemption requests for institutional investors could force the ETF to terminate. The ETF may agree with the large institutional investor to make part of the redemptions in-kind, by transferring assets of an equal value to the large redeeming investor, if assets of the ETF cannot be sold at advantageous prices without a significant impact to the value of the asset.

**Not a Trust Company:** The ETF is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

**U.S. Currency Exposure:** The ETF’s functional and presentation currency is in part, and the investor’s investment may be made in, U.S. dollars. The ETF may purchase certain assets which are denominated in U.S. dollars.

Canadian investors should be aware that the ETF will not hedge the investor’s investment in the ETF against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor’s investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the ETF’s portfolio assets converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor’s investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

**Cyber Security Risk:** As the use of technology has become more prevalent in the course of business and investment funds like the ETF have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the ETF to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause the ETF to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to the ETF’s digital information systems (e.g. through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of the ETF’s third-party service providers (e.g. the registrar and transfer agent and the custodian) can also subject the ETF to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the ETF has established risk management systems designed to reduce the risks associated with cyber security.

**Tax Risks:** “*Mutual fund trust*” status - In order to qualify as a mutual fund trust under the Tax Act, the ETF must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If the ETF were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the requirements under the Tax Act) there may be a number of adverse consequences, including: the ETF becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains and Units ceasing to qualify as “Canadian securities” to Unitholders for the purposes of the election provided in subsection 39(4) of the Tax Act.

*“SIFT Rules”* – The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more “non-portfolio properties” (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market (“SIFT trust”). Under the SIFT Rules, if the ETF were a SIFT trust, it would generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, “non-portfolio earnings” under the Tax Act). Unitholders who receive distributions from the ETF of this income and gains are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by the ETF on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Manager will endeavour to ensure that the ETF will not hold any “non-portfolio properties” but no assurance can be given in this regard.

*Treatment of gains and losses on dispositions of portfolio assets* – The ETF generally will continue to treat gains (or losses) as a result of any disposition of portfolio assets as capital gains (or capital losses) following the Proposed Investment Objectives Change. The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If dispositions or transactions of the ETF which the ETF treats as being on capital account were determined not to be on capital account, the net income of the ETF for tax purposes could increase. The ETF could be liable for non-refundable taxes, the taxable component of distributions to Unitholders could increase and non-resident Unitholders could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess the ETF for a failure to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such re-determination by the CRA may result in the ETF being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution which the ETF may not be able to recover.

*“Loss restriction event”* - If the ETF experiences a “loss restriction event”, it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of the ETF’s taxable income at such time to Unitholders so that the ETF is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the ETF will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the ETF, or a group of persons become a “majority-interest group of beneficiaries” of the ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the ETF will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the ETF.

## **CONDITIONS TO IMPLEMENTING THE PROPOSED INVESTMENT OBJECTIVES CHANGE**

The Proposed Investment Objectives Change will not be implemented unless the Investment Objectives Resolution is approved by the Unitholders present in person, or represented by proxy at the Meeting, or any adjournment(s) or postponements(s) thereof, and all required securities regulatory and stock exchange approvals are obtained, if required. In order to become effective, the Investment Objectives Resolution must be approved by a majority (greater than 50%) of Unitholders who are present in person or represented by proxy at the Meeting or any adjournment(s) or postponements(s) thereof.

There can be no assurance that the conditions precedent to implementing the Proposed Investment Objectives Change will be satisfied on a timely basis, if at all. If the requisite Unitholder approval for the Proposed Investment Objectives Change is not obtained or if any other required securities regulatory or stock exchange approval is not obtained, the Proposed Investment Objectives Change will not be implemented.

The Units are listed and posted for trading on the TSX. Following the effective date of the implementation of the Proposed Investment Objectives Change, it is anticipated that the Units of the ETF will continue to trade on the TSX in US dollars under the symbol “TKN.U” and will trade on the TSX in Canadian dollars under the symbol “TKN”.

Should the Proposed Investment Objectives Change not be approved by the requisite number of Unitholders, the ETF will be terminated as soon as practicable in accordance with the Declaration of Trust.

#### **TERMINATION OF THE PROPOSED INVESTMENT OBJECTIVES CHANGE**

The Proposed Investment Objectives Change, and the implementation thereof, may, at any time before or after the holding of the Meeting and before the implementation of the Proposed Investment Objectives Change, be terminated by the Manager without further notice to, or action on the part of, Unitholders if the Manager determines in its sole judgment that it would be inadvisable for the ETF to proceed with the Proposed Investment Objectives Change.

#### **EXPENSES OF THE PROPOSED INVESTMENT OBJECTIVES CHANGE**

All costs incurred in connection with the Proposed Investment Objectives Change will be borne solely by the Manager.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN THE PROPOSED INVESTMENT OBJECTIVES CHANGE**

The names, places of residence and present positions held by the directors and officers of the Manager, and of Ninepoint Partners GP Inc., the general partner of the Manager (the “GP”), are listed below.

<b>Name and Municipality of Residence</b>	<b>Position Held with Manager and the GP</b>
John Wilson North York, Ontario	Senior Portfolio Manager and Managing Partner of the Manager and Co-Chief Executive Officer and director of the GP
James Robert Fox Etobicoke, Ontario	Managing Partner of the Manager and Co-Chief Executive Officer and director of the GP
Kirstin McTaggart Mississauga, Ontario	Partner and Chief Compliance Officer of the Manager and director of the GP

Other than ownership of Units of the ETF, if any, or as otherwise described herein, none of the above individuals was indebted to or had any transaction arrangement with the ETF during the last fiscal year of the ETF.

As at the date hereof, to the knowledge of the Manager, the Trustee, and the directors and senior officers of the Manager beneficially owned, in aggregate, less than 10% of the outstanding Units of the ETF and the members of the IRC beneficially owned, in aggregate, less than 10% of the outstanding Units of the ETF. The general partner of the Manager, Ninepoint Partners GP Inc., is a wholly-owned subsidiary of Ninepoint Financial Group Inc., which is the sole limited partner of the Manager. Each of John Wilson and James Fox, individually hold 50% of the voting securities of Ninepoint Financial Group Inc.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS**

As of March 17, 2023, a total of 3,018,866 Units were issued and outstanding.

As at March 17, 2023, to the knowledge of the Manager, no person owned of record more than 10% of the outstanding Units of the ETF other than CDS & Co., the nominee of CDS, which holds all of the Units of the ETF as registered owner for various brokers and other persons on behalf of their clients and others (the names of the beneficial owners of such Units of the ETF are not known to the Manager).

### **ORGANIZATION AND MANAGEMENT DETAILS OF THE ETF**

The independent auditor of the ETF is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario.

TSX Trust Company, at its principal offices in Toronto, is the registrar and transfer agent for the Units pursuant to a registrar and transfer agency agreement dated January 19, 2021.

The Current Custodian acts as the custodian of the assets of the ETF pursuant to an amended and restated custodian agreement dated May 6, 2021. The Current Custodian is a federally regulated trust company based in Calgary, Alberta and provides services to the ETF from its office in Toronto, Ontario. If the Proposed Investment Objectives Change is approved and implemented by the Manager, the custodian agreement with the Current Custodian will be terminated and the ETF's custodian will change to CIBC Mellon Trust Company.

The Current Sub-Custodian acts as sub-custodian of the ETF in respect of the ETF's holdings of Bitcoin pursuant to an amended and restated sub-custodian agreement between the Current Custodian, the ETF, and the Current Sub-Custodian dated May 6, 2021. The Current Sub-Custodian is a trust company licensed by the New York State Department of Financial Services and is qualified to act as a sub-custodian of the ETF for assets held outside of Canada in accordance with NI 81-102. If the Proposed Investment Objectives Change is approved and implemented by the Manager, the sub-custodian agreement with the Current Sub-Custodian will be terminated.

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, has been appointed the administrator of the ETF and is responsible for calculating the Net Asset Value and Net Asset Value per Unit of the ETF.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The Proposed Investment Objectives Change and the implementation thereof should not result in the disposition by a Unitholder of the Unitholder's Units of the ETF. Units will continue to be qualified investments for registered plans such as registered retirement savings plans subject to the prohibited investment rules.

The Proposed Investment Objectives Change and the implementation thereof should not result in a deemed year end of the ETF for tax purposes. Income, capital gains, losses and capital losses, if any, that are realized by the ETF in disposing of properties that are not consistent with the new investment objectives and strategies of the ETF will be taken into account in the calculation of the ETF's income for the purposes of the Tax Act and the ETF may make a taxable distribution of net income (including net realized taxable capital gains) to Unitholders as a result. If the Proposed Investment Objectives Change and the implementation thereof were to occur on the date hereof, the Manager does not expect that the ETF would be required to make an additional distribution to Unitholders but the Manager can give no assurance that the actual implementation of the Proposed Investment Objectives Change would not require an additional distribution.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information in respect of the ETF has been incorporated by reference in this Circular from documents filed with the Canadian securities regulators. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Manager at its head office located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1. In addition, copies of the documents incorporated herein by reference may be obtained electronically on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The following documents of the ETF, filed with the Canadian securities regulators, are specifically incorporated by reference into and form an integral part of this Circular:

- (a) the final long form prospectus of the ETF dated April 21, 2022, as amended by Amendment No.1 thereto dated March 13, 2023; and
- (b) the material change report of the ETF dated March 13, 2023 in connection with the Proposed Investment Objectives Change.

Any documents of the type described in Section 11.1 of Form 44-101F1 filed by the ETF with the Canadian securities regulators subsequent to the date of this Circular and prior to the Meeting shall be deemed to be incorporated by reference in this Circular.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.**

## GENERAL PROXY INFORMATION

### Circular

**This Circular is furnished to Unitholders in connection with the solicitation of proxies by the Manager to be used at the Meeting or at any adjournment(s) or postponement(s) thereof.** The Meeting will be held at the offices of McCarthy Tétrault LLP, TD Bank Tower, 53<sup>rd</sup> Floor, 66 Wellington Street West, Toronto, Ontario, Canada, M5K 1E6 on April 20, 2023 at 10 a.m. (Toronto time). The purpose of the Meeting, as set forth in the Notice of Special Meeting of Unitholders (the “**Notice**”), is to consider the Investment Objectives Resolution accompanying this Circular. Solicitation of proxies will be primarily by mail and may be supplemented by telephone, email, internet, fax, or other personal contact by representatives or agents of the Manager without additional compensation.

If you have any questions about or require assistance completing the Form of Proxy, please contact TSX Trust Company at [tsxtis@tmx.com](mailto:tsxtis@tmx.com).

### Voting Instructions for Non-Registered Holders

The information set forth in this section is of significant importance to non-registered beneficial holders of Units of the ETF (“**Beneficial Holders**”). Beneficial Holders should note that only proxies deposited by Unitholders whose names appear on the records of the ETF as the registered holders of Units can be recognized and acted upon at the Meeting. Units held by brokers, dealers or their nominees through CDS & Co. (“**CDS**”) can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, CDS and brokers, dealers and their nominees are prohibited from voting Units of the ETF for their clients. The ETF does not know for whose benefit the Units of the ETF registered in the name of CDS & Co. are held. Therefore, Beneficial Holders cannot be recognized at the Meeting for purposes of voting their Units or by way of proxy unless they comply with the procedure described below.

Applicable regulatory policy requires brokers, dealers and other intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a voting instruction form that it mails to the Beneficial Holders and asks Beneficial Holders to complete and return directly to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instruction respecting the voting of Units to be represented at the Meeting. **A Beneficial Holder receiving a voting instruction form cannot use that form to vote Units directly at the Meeting. Rather, the voting instruction form must be returned to Broadridge well in advance of the Meeting to have the Units voted.**

If you are a Beneficial Holder and wish to vote at the Meeting or any adjournment(s) or postponement(s) thereof, please contact your broker, dealer or other intermediary well in advance of the Meeting to determine how you can do so. Voting instruction forms sent by Broadridge may be completed by telephone, mail or online at [www.proxyvote.com](http://www.proxyvote.com).

If you are a Unitholder and wish to vote in favour of the Proposed Investment Objectives Change, you should submit a Form of Proxy voting in favour of the Proposed Investment Objectives Change well in advance of the 10 a.m. (Toronto time) deadline on April 18, 2023 for the deposit of proxies. Voting instruction forms may have an earlier deadline and, as such, you should contact your broker or other intermediary through which your Units are held who may have earlier deadlines. Unitholders are invited to attend the Meeting.

## **Proxy Information, Record Date, Voting Rights and Quorum**

To be used at the Meeting, a proxyholder must deposit his, her or its completed, dated and signed Form of Proxy with the ETF's transfer agent, TSX Trust Company, by mail to 301 – 100 Adelaide Street West, Toronto, ON, M5H 4H1, Canada, by facsimile transmission to (416) 595-9593, or over the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com) prior to 10 a.m. (Toronto time) on April 18, 2023, or, if the Meeting is adjourned or postponed, not less than 48 hours (other than a Saturday, Sunday or holiday) prior to the start of the adjourned or postponed meeting.

Only Unitholders of record at the close of business on March 13, 2023 will be entitled to receive notice of the Meeting and to vote in respect of the matters to be voted at the Meeting or any adjournment(s) or postponement(s) thereof.

With respect to each matter properly put before the Meeting, a Unitholder shall be entitled to one vote for each Unit held by such Unitholder. In order to become effective, the Investment Objectives Resolution must be approved by a majority (greater than 50%) of the Unitholders who are present, or represented by proxy at the Meeting or any adjournment(s) or postponement(s) thereof.

Pursuant to the Declaration of Trust, a quorum at the Meeting will consist of two or more Unitholders present or represented by proxy. In the event of such quorum not being present at the appointed place on the date for which the Meeting is called within 30 minutes after the time fixed for the holding of such Meeting, the Meeting shall stand adjourned to such day being not less than one day later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present or represented by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original Meeting in accordance with the notice calling the same. If the Meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as for the original Meeting. At the adjourned meeting, the business of the Meeting will be transacted by those Unitholders present or represented by proxy.

## **Appointment of Proxy Holders**

Unitholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof may still vote through the use of proxies. If you are a Unitholder, you should complete, execute and return a Form of Proxy well in advance of the 10 a.m. (Toronto time) deadline on April 18, 2023 for the deposit of proxies. By completing and returning a proxy form, you can participate in the Meeting through the person or persons named on the form. Please indicate the way you wish to vote and your vote will be cast accordingly. **If you do not indicate a preference, the Units represented by the proxy form, if the same is executed in favour of the Manager's appointees named in the proxy form and deposited as provided in the Notice, will be voted FOR the Investment Objectives Resolution.**

## **Discretionary Authority of Proxies**

The Form of Proxy confers discretionary authority upon the Manager's appointees named therein with respect to such matters, including without limitation, amendment or variation to the Investment Objectives Resolution, as, though not specifically set forth in the Notice, may properly come before the Meeting or any adjournment(s) or postponements(s) thereof. Management of the Manager does not know of any such matter that may be presented for consideration at the Meeting. However, if such a matter is presented, the proxy will be voted on the matter in accordance with the best judgment of the Manager's appointees named in the Form of Proxy.

On any ballot that may be called for at the Meeting, all Units in respect of which the Manager's appointees named in the accompanying Form of Proxy have been appointed to act will be voted in accordance with the specification of the Unitholder signing the Form of Proxy. **If no specification is made, the Units will be voted FOR the Investment Objectives Resolution and in accordance with the best judgment of the Manager's appointees named in the proxy form with respect to any other matters that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.**

#### **Alternate Proxy**

**A Unitholder has the right to appoint a person or company to represent them at the Meeting or any adjournment(s) or postponement(s) thereof other than the Manager's appointees designated on the accompanying proxy form by inserting the name of the person he or she wishes to act as proxy in the blank space provided, or by completing another Form of Proxy. A Form of Proxy that appoint persons other than the management appointees whose names are printed on the form should be submitted to the Manager and the person so appointed should be notified. A person acting as proxy need not be a Unitholder of the ETF.**

#### **Revocation of Proxies**

If the accompanying Form of Proxy is executed and returned, the proxy may nevertheless be revoked by an instrument in writing executed by the Unitholder or his or her attorney authorized in writing, as well as in any other manner permitted by law. Any instrument revoking a proxy must either be deposited (a) at the registered office of the Manager no later than 5:00 p.m. (Toronto time) on the day before the Meeting or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof. If the instrument of revocation is deposited with the Chairman on the day of the Meeting or any adjournment(s) or postponement(s) thereof, the instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to that proxy.

#### **Solicitation of Proxies**

The cost of the solicitation of proxies in respect of the Meeting will be borne solely by the Manager. The Manager will reimburse brokers, custodians, nominees and fiduciaries for the proper charges and expenses incurred in forwarding this Circular and related materials to Beneficial Holders. In addition to solicitation by mail, officers and directors of the Manager may, without additional compensation, solicit proxies personally or by telephone.

**APPROVAL OF CIRCULAR**

The Board has approved the contents and the sending of this Circular to the Unitholders of the ETF.

**DATED** at Toronto, Ontario this 21<sup>st</sup> day of March, 2023.

**Ninepoint Bitcoin ETF, by its Manager,  
Ninepoint Partners LP**

*(signed) "John Wilson"*

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John Wilson  
Co-Chief Executive Officer and Managing  
Partner

## APPENDIX A

### INVESTMENT OBJECTIVES RESOLUTION

#### Change of Fundamental Investment Objectives

**BE IT RESOLVED THAT** the change of the investment objectives of Ninepoint Bitcoin ETF (the “**ETF**”) in or around May, 2023, or such other time as Ninepoint Partners LP (the “**Manager**”) may determine in its sole discretion, as described in the management information circular of the ETF dated March 21, 2023 (the “**Circular**”) is hereby approved by the holders (the “**Unitholders**”) of units (the “**Units**”) of the ETF and without limiting the generality of the foregoing:

- a) The Manager is hereby authorized to effect a change to the investment objectives of the ETF to be to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (the “**Proposed Investment Objectives Change**”) and to change the name of the ETF to reflect the Proposed Investment Objectives Change; including, without limitation, all amendments to the ETF’s declaration of trust considered ancillary, necessary or desirable, in the opinion of the Manager to facilitate and implement the Proposed Investment Objectives Change, all as more fully described in the Circular;
- b) The Manager, in its capacity as Trustee of the ETF, is hereby authorized to amend the Declaration of Trust of the ETF to the extent necessary to reflect the Proposed Investment Objectives Change, the change of name of the ETF and ancillary changes, all as described in the Circular and to execute and deliver such amendments or amendments and restatements of the declaration of trust of the ETF to give effect to the foregoing;
- c) The Manager is hereby authorized and directed to execute on behalf of the ETF and to deliver and to cause to be delivered, all such documents, agreements, instruments and tax elections and resignations and to do or cause to be done all such other acts and things as it shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, instrument or tax election or designation or the doing of any such act or thing; and
- d) This resolution may be revoked for any reason whatsoever in the sole and absolute discretion of the Manager, without further approval of holders of Units of the ETF at any time prior to the completion of the Proposed Investment Objectives Change.





