



# Ninepoint Web3 Innovators Fund

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2024

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The interim management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at [www.ninepoint.com](http://www.ninepoint.com) or SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

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# Ninepoint Web3 Innovators Fund

June 30, 2024

(in U.S. dollars)

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The investment objective of the Ninepoint Web3 Innovators Fund (the “Fund”) is to seek to provide 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”). To achieve the Fund’s investment objective, the Fund invests 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. The Fund indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs.

### Risks

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

### Results of Operations

The Fund, ETF Series (USD) returned 25.4% in the first half of 2024, while its blended benchmark, returned 27.3%.

Many of the long-time regulatory headwinds facing the asset class have started to subside. Several key milestones were reached so far this year, including: the historically successful launch of spot Bitcoin ETFs in the U.S. which have seen net inflows of over \$17 billion, the U.S. House of Representatives passing the Financial Innovation and Technology for the 21st Century Act (FIT 21) with a bipartisan majority that aims to provide regulatory clarity and consumer protections to the digital asset ecosystem, and the SEC’s surprising approval of spot Ethereum ETFs, which began trading in July.

Cryptoassets have also emerged as an important election issue for the first time in history, with over 52 million Americans owning digital assets. Pro-crypto group Fairshake has become the largest super PAC of this election cycle with over \$200 million raised, Donald Trump gave a keynote speech outlining his crypto platform at the largest annual Bitcoin Conference, and Kamala Harris’ campaign is looking to ‘reset’ relations with the crypto industry and build a smart framework to help grow the asset class.

Enterprise adoption of Web3 technologies continues as well. Web3 projects announced by Fortune 100 companies hit a record high in Q1 2024, and increased 39% year-over-year. Additionally, 56% of Fortune 500 executives said their companies are actively working on Web3 initiatives. The tokenized U.S. treasury market has surged from \$100 million in early 2023 to nearly \$2 billion, led by traditional asset managers BlackRock and Franklin Templeton. BlackRock CEO Larry Fink is leading the charge on Wall Street, recently stating that “every financial asset will be tokenized” and “tokenization is the next generation for markets.”

As a result of these factors, Bitcoin has increased 42% year-over-date, buoying the broader digital asset market and Web3 public equities with it. As such, the primary driver of the Fund’s performance was its allocation to crypto ETFs holding Bitcoin and Ethereum.

Additionally, the Fund was well positioned to take advantage of the artificial intelligence boom through its allocation to companies such as NVIDIA Corporation, which is providing the infrastructure and compute power for the next generation of the Internet, and Microsoft Corporation, which could be one of the biggest beneficiaries.

The Fund’s diversified approach allows it to capture the growth in foundational digital asset platforms, like Bitcoin and Ethereum, via indirect investments in listed Canadian cryptocurrency ETFs, pure play Web3 businesses that have the potential to outperform the underlying asset class, and high-quality growth tech beneficiaries of the transformation.

The Fund’s net asset value increased by 6.1% during the period, from \$20.2 million as at December 31, 2023 to \$21.5 million as at June 30, 2024. This change was predominantly due to net realized and unrealized gains on investments of \$5.3 million, offset by net redemptions of \$3.9 million.

### Recent Developments

There were no material changes to the investment strategy and features of the Fund during the period ended June 30, 2024. The Manager actively monitors the positioning of the Fund’s portfolio for changes in current market conditions and the economic environment.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 0.70% for ETF Units. The management fee is calculated and accrued daily based on the daily net asset value of that series of the Fund and is paid monthly. For the period ended June 30, 2024, the Fund incurred management fees (including taxes) of \$84,901. The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Web3 Innovators Fund – ETF Units	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid nil trailer commissions during the period ended June 30, 2024 to Sightline Wealth Management, an affiliate of the Manager.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions can be terminated at any time without notice. For the period ended June 30, 2024, the Manager did not absorb any expenses.

OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund’s Independent Review Committee with respect to any related party transactions.

# Ninepoint Web3 Innovators Fund

June 30, 2024

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2024 and each of the previous years ended December 31 shown, unless otherwise indicated.

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

	June 30, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021 <sup>2</sup>
	\$	\$	\$	\$
ETF Units				
<b>Net assets, beginning of period</b>	<b>11.16</b>	4.92	13.71	9.55
<b>Increase (decrease) from operations:</b>				
Total revenue	0.01	0.02	—	0.00
Total expenses	(0.11)	(0.12)	(0.12)	(0.24)
Realized gains (losses)	2.17	(1.84)	(0.52)	7.76
Unrealized gains (losses)	0.98	8.33	(8.27)	1.75
<b>Total increase (decrease) from operations<sup>3</sup></b>	<b>3.05</b>	6.39	(8.91)	9.27
<b>Distributions:</b>				
<b>Total annual distributions<sup>4</sup></b>	—	—	—	—
<b>Net assets, end of period</b>	<b>14.00</b>	11.16	4.92	13.71

	June 30, 2024	Dec 31, 2023	Dec 31, 2022 <sup>5</sup>
	\$	\$	\$
Series A			
<b>Net assets, beginning of period</b>	—	—	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	—	—	0.00
Total expenses	—	—	(0.12)
Realized gains (losses)	—	—	(0.39)
Unrealized gains (losses)	—	—	(5.05)
<b>Total increase (decrease) from operations<sup>3</sup></b>	—	—	(5.56)
<b>Distributions:</b>			
<b>Total annual distributions<sup>4</sup></b>	—	—	—
<b>Net assets, end of period</b>	—	—	—

	June 30, 2024	Dec 31, 2023	Dec 31, 2022 <sup>5</sup>
	\$	\$	\$
Series F			
<b>Net assets, beginning of period</b>	—	—	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	—	—	0.00
Total expenses	—	—	(0.05)
Realized gains (losses)	—	—	(0.46)
Unrealized gains (losses)	—	—	(4.89)
<b>Total increase (decrease) from operations<sup>3</sup></b>	—	—	(5.40)
<b>Distributions:</b>			
<b>Total annual distributions<sup>4</sup></b>	—	—	—
<b>Net assets, end of period</b>	—	—	—

1 This information is derived from the Fund’s interim and audited annual financial statements.

2 Net assets per unit were initially offered at \$10.00 per unit less agents’ fees and issue costs of \$0.45 per unit. Agents’ fee and issue expenses of the ETF Series units offering were recorded as a reduction in partners’ capital. Information provided is for the period from January 27, 2021 (launch date) to December 31, 2021 for ETF Series units.

3 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net asset and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of the beginning to ending net assets per unit.

4 Distributions were reinvested in additional units of the Fund.

5 Information provided is for the period from January 23, 2022 (first issuance) for Series A units and Series F units, until all outstanding units were fully redeemed during the period ended December 31, 2022.

# Ninepoint Web3 Innovators Fund

June 30, 2024

## Ratios and Supplemental Data

	June 30, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
ETF Units				
Total net asset value (000's) <sup>1</sup>	<b>\$21,469</b>	\$20,239	\$16,040	\$56,214
Number of units outstanding <sup>1</sup>	<b>1,533,866</b>	1,813,866	3,258,866	4,098,866
Management expense ratio <sup>2</sup>	<b>1.43%</b>	1.29%	1.45%	1.45%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>1.43%</b>	1.88%	2.13%	1.58%
Trading expense ratio <sup>3</sup>	<b>0.20%</b>	0.17%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	<b>19.44%</b>	110.68%	21.50%	118.63%
Net asset value per unit <sup>1</sup>	<b>\$14.00</b>	\$11.16	\$4.92	\$13.71
Closing market price <sup>5</sup>	<b>\$14.03</b>	\$11.15	\$4.90	\$13.67
Closing market price (CAD) <sup>5</sup>	<b>\$19.20</b>	\$14.77	\$6.65	\$17.27

- 1 This information is provided as at June 30, 2024 and December 31 for the years shown prior to 2024. As Series A units and Series F units were first issued and fully redeemed during the year-ended December 31, 2022, the ratios and supplemental data tables for these series are not shown.
- 2 Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.
- 3 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.
- 4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
- 5 Last closing price as at June 30, 2024 and December 31 for the years shown prior to 2024.

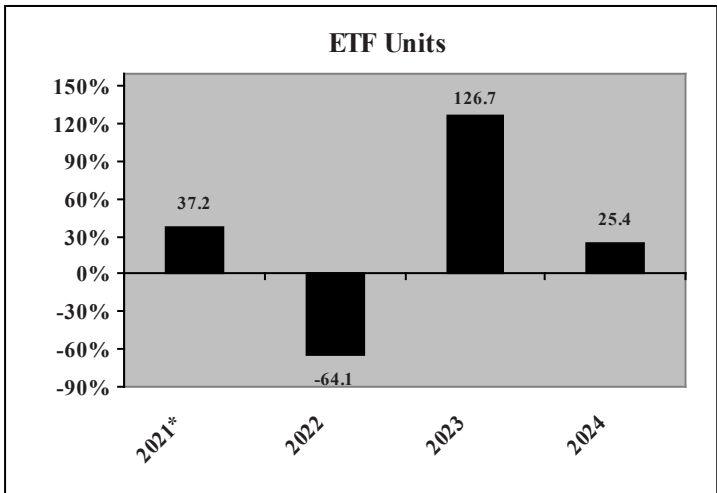
Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of return are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the period ended June 30, 2024 and each of the previous years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding units as at the end of the period.

As Series A units and Series F units were first issued and fully redeemed during the year-ended December 31, 2022, year-by-year return charts are not shown.



\* Return from January 27, 2021 (launch date) to December 31, 2021 (not annualized).

# Ninepoint Web3 Innovators Fund

June 30, 2024

## Summary of Investment Portfolio

As at June 30, 2024

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Financials	39.3
Digital Asset Funds	29.1
Information Technology	25.7
Consumer Discretionary	3.9
Communication Services	1.6
<b>Total Long Positions</b>	<b>99.6</b>
Cash	0.6
Other Net Liabilities	(0.2)
<b>Total Net Asset Value</b>	<b>100.0</b>

### All Long Positions

Issuer	% of Net Asset Value
CI Galaxy Ethereum ETF	14.6
Coinbase Global Inc.	11.5
Galaxy Digital Holdings Limited	11.2
CI Galaxy Bitcoin ETF	10.9
Microsoft Corporation	10.0
NVIDIA Corporation	9.5
PayPal Holdings Inc.	5.7
Block Inc.	4.1
Hut 8 Corporation	3.4
Advanced Micro Devices Inc.	2.9
Mastercard Inc.	2.6
WonderFi Technologies Inc.	2.2
LVMH Moet Hennessy Louis Vuitton SE	2.2
Ether Capital Corporation	2.1
CME Group Inc.	1.9
NIKE Inc.	1.8
Roblox Corporation	1.6
Purpose Ether ETF	1.4
Cash	0.6
<b>All long positions as a percentage of Net Asset Value</b>	<b>100.2</b>

The Fund held did not hold short positions as at June 30, 2024.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at [www.ninepoint.com](http://www.ninepoint.com). The prospectus and other information on the underlying investment funds are available on the Internet at [www.sedarplus.com](http://www.sedarplus.com).



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## Corporate Information

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