

# UNBOXED

THE NINEPOINT MID-YEAR OUTLOOK **JUNE 2026**

## REPRICING THE **FUTURE**



New regime. New realities.  
Fresh perspectives.

**+ THE FUNDAMENTALS  
STILL FAVOUR THE BULLS**

ENERGY OUTLOOK

**+ RATE RISK IS BACK**

FIXED INCOME OUTLOOK

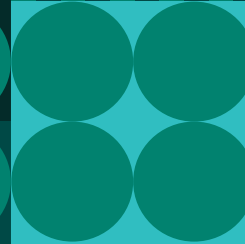
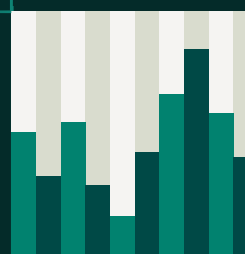
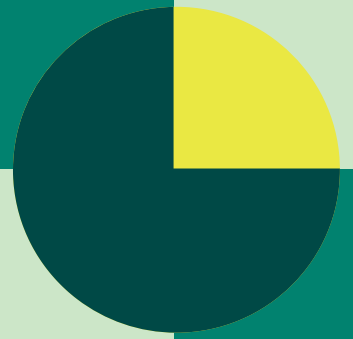
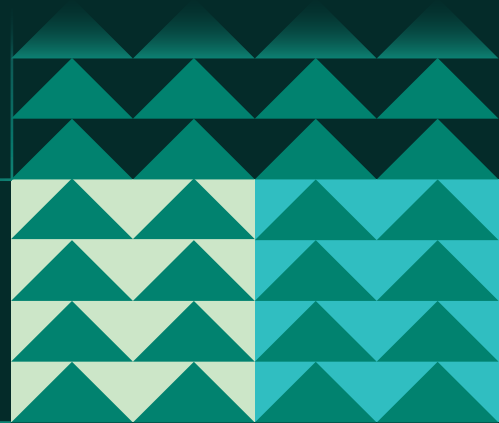
**+ FROM COMMODITY CYCLE  
TO STRATEGIC PRIORITY**

METALS & MINING OUTLOOK

**+ FROM SPECULATIVE  
TECHNOLOGY TO  
FINANCIAL INFRASTRUCTURE**

DIGITAL ASSETS OUTLOOK

Perspectives from Ninepoint portfolio managers on the forces shaping markets, portfolios, and long-term opportunity.



# Table of Contents

---

Letter from the Partners	04
Rate Risk Is Back	05
The Fundamentals Still Favour the Bulls	07
From Commodity Cycle to Strategic Priority	09
Healthy Correction, Intact Fundamentals	10
Structural Scarcity Sets Up the Next Leg for Silver	11
An Earnings-Driven Rally	12
Electrification, Sovereignty Driving Infrastructure's Next Growth Phase	15
From Speculative Technology to Financial Infrastructure	17



# Letter from the Partners

## *Outlook for H2 2026*

---

The year began with a clear consensus: inflation would drift back toward target, central banks would continue cutting rates, and the global economy would keep growing at a steady pace.

The conflict in the Middle East, along with the closure of the Strait of Hormuz, has changed that, with energy prices higher and inflation being brought back into focus. Almost overnight, the market conversation shifted from rate cuts to inflation risk, and investors have been adjusting ever since.

Despite global uncertainty, equity markets have remained resilient and finished the first half higher, supported by the AI and data centre investment cycle, which has continued to drive corporate earnings even as the macro backdrop has become more challenging.

In energy, higher prices flow directly to producers, and we believe equities still do not fully reflect the cash flow that could follow. Similar forces are supporting demand for metals, critical minerals and uranium, while gold and silver continue to benefit from a cycle we believe has further to run. At the same time, sovereignty over critical infrastructure is emerging as an important new theme that could drive years of above-trend investment.

Additionally, high-quality fixed income continues to play an important role in anchoring portfolios, while the digital asset ecosystem is steadily maturing into financial infrastructure, even as prices lag adoption.

In this 2026 Mid-Year Outlook Report, our portfolio managers highlight where they see the most compelling opportunities across these areas, and how active management can help navigate the risks that come with them.

We hope you find this outlook helpful as you plan for the second half of 2026 and beyond.

**James Fox**  
**John Wilson**

*Co-CEOs & Managing Partners*  
Ninepoint Partners LP

# Rate Risk Is Back

## Fixed Income Outlook

Mark Wisniewski, Partner, Senior Portfolio Manager & Head of Fixed Income  
Etienne Bordeleau-Labrecque, Vice President, Portfolio Manager

The war in the Middle East is a thorny problem for central banks – higher prices and lower growth are not problems that interest rates are well suited to solve.

In the context of the global economy, Iran and the Strait of Hormuz are hugely consequential; a large share of the global oil, liquefied natural gas, petrochemicals, aluminium and fertilizers transit through there. With the Strait closed for several months, the world now faces higher prices for all those commodities and products, along with lost output due to the resulting shortages.

The pain, however, is not spread evenly. North America is generally well endowed with energy, while Europe and Asia are net importers. As a result, energy availability is what separates countries that are facing higher prices, from those that must contend with both higher prices and the need to curtail economic activity due to shortages of energy and other resources.

### The Central Bank Dilemma

This is a particularly thorny problem for central banks: central banks typically look through temporary commodity price spikes, since raising rates by enough to quash demand and force inflation back to target can be counterproductive. But in some countries, inflation has been above target for several years, and new upside pressures such as the AI CAPEX boom in the U.S. and the goods price increases from the 2025 tariffs are all pushing prices up.

Depending on how long the conflict lasts, the U.S. Fed may have little choice but to resume raising rates. The longer the conflict persists, the greater the risk that higher energy prices spread through to the broader economy, increasing not just the level, but the breadth of inflation. As we saw in 2022, once that process takes hold, it can require a heavy dose of monetary tightening to contain. At a minimum, we should expect the Fed to be on hold for the balance of the year.

Contrast this backdrop with the market's (misguided) expectations for U.S. rate cuts at the beginning of 2026, and

it's no surprise that bond yields across the yield curve have moved significantly higher.

### Canada: A Stronger Hand

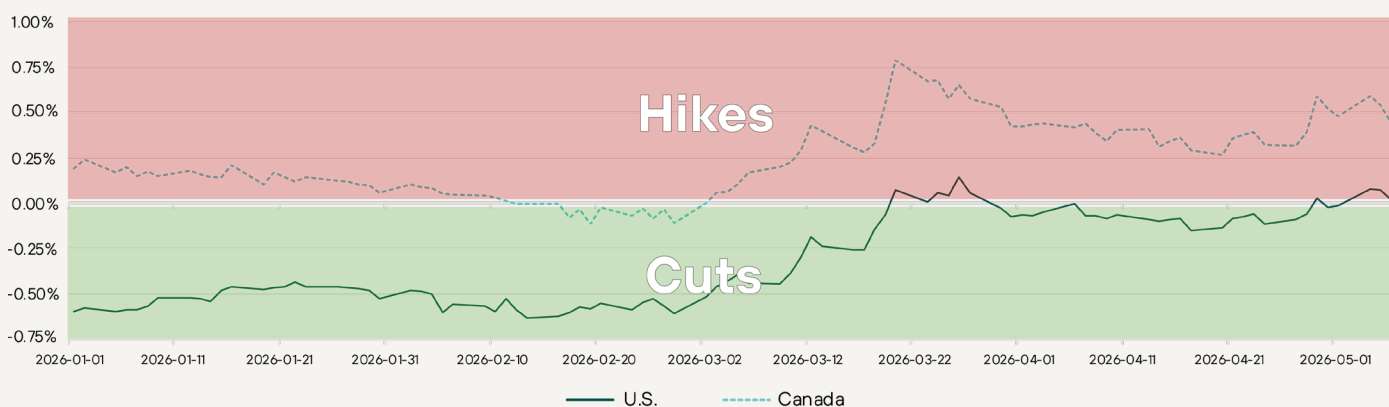
Here at home, the Bank of Canada enters this energy crisis with a stronger hand: there is slack in the economy, unemployment is higher, inflation has been around target for more than a year, and core inflation has been on downward trend. This will allow the Bank of Canada to be patient, but, just like the Fed, if the energy shock persists and starts spreading to core inflation, then they will have to act with a series of hikes.

*"If the energy shock persists and starts spreading to core inflation, then [the Bank of Canada] will have to act, with a series of rate hikes."*

— Etienne Bordeleau-Labrecque  
Vice President, Portfolio Manager  
Ninepoint Partners

Figure 1: What's Priced-In?

Market Implied Change in Policy Rates by Year-End 2026



Source: Bloomberg

## Positioning Around Rates

Following the start of hostilities, the bond market moves quickly, pricing in as many as three rate hikes, or 75bps, from the Bank of Canada by the end of the year. Assuming a long tail to the conflict, that pricing seems reasonable. Should it be resolved sooner, the Bank of Canada may instead remain on hold for the balance of the year, which was our base-case assumption prior to the conflict.

In the U.S., however, inflation is already above target, and the price pressures stemming from AI, energy and tariffs, suggest upside risks to rates and downside risks to bond prices. This is particularly true in the front end and belly of the curve, which are more sensitive to shifts in monetary policy.

As fund managers, we are therefore positioning accordingly: with no clear timeline for when the war will end, a low duration bias is appropriate. We have also used options on interest rates to lean into those wild swings in monetary policy expectations and rates driven by the conflict and oil price gyrations, helping to lower fund volatility while generating additional income.

## Credit Markets: New Issue Activity Off the Charts

Turning to credit markets, 2026 has so far played out as we expected. Spreads are at multi-decade lows, while new issue activity, led by AI hyperscalers' massive funding needs, has driven a gradual repricing wider across the U.S. investment grade corporate bond market.

With the Canadian market still relatively cheap, we have seen a wave of "maple issuers" (non-domestic issuers). In May, Canada saw two hyperscalers deal with Google printing the largest corporate bond offering in Canadian history, at \$8.5bn, closely followed by Amazon with another record at \$14bn. We expect this momentum to continue, even with total new issuance already tracking 60% above last year, compared with 30% in the much larger US market.

Barring any further deterioration in the economic outlook or negative headlines around private credit, our view is that corporate credit spreads will continue to widen as the market digests this unprecedented wave of new issues. Should some of the downside growth (and upside inflation) scenarios come to pass, expect corporate credit to sell off more meaningfully.

# The Fundamentals Still Favour the Bulls

## Energy Outlook

Eric Nuttall, Partner and Senior Portfolio Manager

Energy equities significantly outperformed expectations in the first half of 2026, driven entirely by a single critical event: the closure of the Strait of Hormuz, following U.S. and Israeli strikes on Iran earlier this year. Contrary to earlier market expectations of a potential supply glut, a narrative that had kept the asset class out of favour with generalist investors, the reality has been rapid global inventory draws and a fundamental tightening of the market.

### An Oil Market Grappling With Record Low Inventories

The closure of the Strait of Hormuz has removed nearly 13-14 million barrels a day of oil supply, resulting in a significant drawdown of global oil inventories. Even after accounting for offsets like Strategic Petroleum Reserve (SPR) releases and Emirati workarounds, the net loss remains roughly 5.7 million barrels per day (bpd), a deficit that current inventory levels cannot sustain indefinitely.

We estimate that, since the beginning of the conflict in the Middle East, the world has lost over 1 billion barrels of production and could exceed 1.5 billion if the Strait does not open soon.

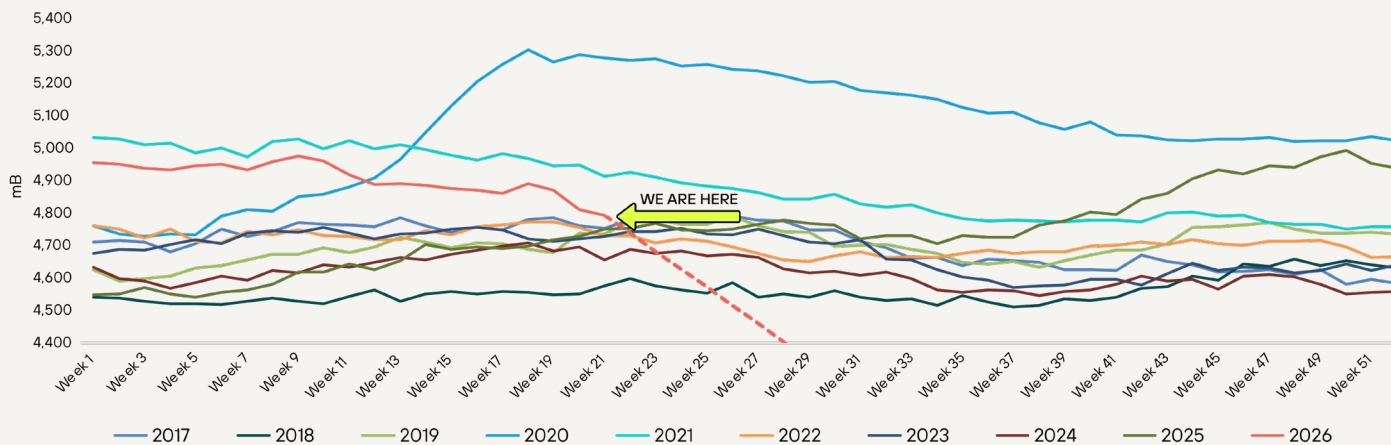
Even when an agreement is reached and the Strait reopens, it will take weeks and months for normalized tanker traffic to

resume. This should result in elevated commodity prices as the tanker flows resume.

Dwindling inventories are also driving refined product shortages in parts of the globe, including diesel supply issues in Australia and jet fuel import concerns in Europe (affecting airlines like KLM and Lufthansa). We expect to see very high prices and some demand reduction in the short term, until product flows resume.

Despite the severity of the energy crisis, broader markets (like the S&P 500) remain near all-time highs. We attribute this complacency to two factors: effective political "jawboning" that manufactures volatility through media reports of impending breakthroughs, and the market's inability to price in reality until physical shortages become unavoidable.

**Figure 2: Global Observable Oil Inventories**  
(Onshore + Oil on Water)  
(MM Bbls)



Source: Kpler, Ninepoint Partners

*"One of the biggest misperceptions of the market is that equities have already reflected the rally in energy prices. While the stocks have appreciated in price, our valuation suggests that stocks are discounting closer to \$65 WTI, below our view of the floor price for oil. At \$80WTI, the companies will generate significant free cash flow, most of which will be returned to investors in the form of share buybacks and dividends"*

— Eric Nuttall  
Partner and Senior Portfolio Manager  
Ninepoint Partners

## The Case for Owning Energy in H2 2026

Entering the year, the oversupply narrative kept generalist investors away from the energy sector. That has changed with the rise in commodity prices since the Strait closed. While higher energy prices are a negative for broader markets and other industries, they benefit energy producers, and appetite for the space has increased significantly over the last few months.

Beyond the near-term shortages, we encourage investors to focus on “the day after” the Strait re-opens, a future where the Strait eventually reopens and an \$80 floor price for oil becomes the norm, a price comfortably above what our producers need to stay profitable, giving investors steady returns through the cycle.

That floor is underpinned by demand: following “the day after,” restocking global inventories and refilling SPRs will itself create sustained long-term demand for crude. It’s this

demand that frames the real opportunity in energy equities, particularly in producers operating in stable, low risk regions with long resource life. These will be the companies best positioned to generate significant returns with strong cash flow and free cash flow.

## The Upside the Market Hasn't Priced

One of the biggest misperceptions of the market is that equities have already reflected the rally in energy prices. While the stocks have appreciated in price, our valuation suggests that stocks are discounting closer to \$65 WTI, below our view of the floor price for oil. At \$80 WTI, the companies will generate significant free cash flow, most of which will be returned to investors in the form of share buybacks and dividends.

Beyond that upside, we expect energy to be a key source of inflation and friction in the economy, and owning energy producers is one way to hedge against it.

# From Commodity Cycle to Strategic Priority

## Metals & Mining Outlook

Nawojka Wachowiak, Senior Portfolio Manager

The first half of 2026 marked a positive, yet volatile period against a backdrop of geopolitical uncertainty, escalating conflict in the Middle East, and shifting interest rate expectations.

The year began with strength, as metal prices and mining equities carried forward the momentum from the end of 2025. However, the nomination of a new Federal Reserve Chair reset interest rate expectations and dampened the rally across most commodity markets. At the same time, the escalating conflict in the Middle East raised concerns over global economic growth, while also drawing renewed attention to the need for countries to secure supplies of key industrial and strategic metals.

While higher interest rate expectations have weighed on prices in the near term, the broader market weakness has created an attractive entry point. The underlying strength in strategic metals, amid geopolitical tension, underscores that demand for critical resources remains resilient – and that the long-term opportunity for investors remains intact.

### Mining and Metals as a Strategic Priority

Looking ahead to the rest of 2026, the metals and mining sector is expected to remain in focus for a number of reasons.

First, governments, due to a complex geopolitical landscape, are increasingly prioritizing the onshoring of supply chains, securing energy independence, ramping up defence spending, and building strategic stockpiles.

Technology represents another powerful growth driver for metals, with rapid innovation fuelling strong demand from AI-focused data centres and investment in infrastructure. Finally, the global push toward sustainability continues to drive demand through emission targets mandating widespread EV adoption and the build-out of renewable energy infrastructure.

### Growing Demand for Uranium

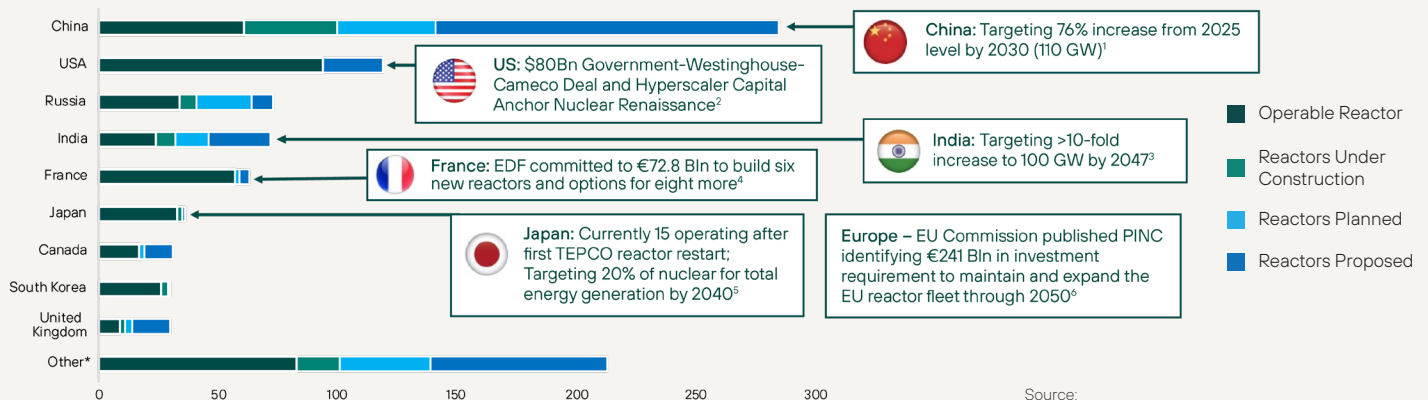
The conflict in the Middle East has, once again, highlighted the strategic importance of energy independence and solidified the ongoing trends of nuclear buildouts and growing demand for uranium. As countries seek to secure reliable energy supply for national security and data centre needs – while simultaneously addressing carbon reduction commitments – nuclear energy stands out as an increasingly viable and attractive solution. This trend, in our view, will continue for decades and may provide investors with significant opportunities.

*“The underlying strength in strategic metals, amid geopolitical tension, underscores that demand for critical resources remains resilient – and that the long-term opportunity for investors remains intact.”*

– Nawojka Wachowiak, Senior Portfolio Manager  
Ninepoint Partners

### Figure 3: Nuclear Renaissance: The Race for Energy Independence

China dominates demand, but the West is stepping up



Source: World Nuclear Association, as at April 20, 2026. Data Retrieved at May 11, 2026

\*Other: includes Argentina, Brazil, Mexico, Pakistan, Europe (ex-Germany), Africa, and the Middle East

Operable = Connected to the grid. Under Construction = First concrete for reactor poured, keel laying for floating plants  
Planned = Approvals, funding or commitment in place (i.e., operation within 15 yrs. Proposed = Specific program/  
proposals, timing very uncertain.

Source:

1. Bloomberg, March 2026
2. Cameco Oct 2025; Data Center Magazine Jan 2026
3. PIB, Apr 2026
4. World Nuclear News, Apr 2026
5. JIAP, May 2026
6. European Commission, March 2026

# Healthy Correction, Intact Fundamentals

## Gold Equities Outlook

Nawojka Wachowiak, Senior Portfolio Manager

Market headwinds, including Middle East tensions, trade route disruptions, higher energy prices and a stronger U.S. dollar, have pulled gold back from its January highs. However, prices have since stabilized around the \$4,500 range as investors continue to navigate geopolitical uncertainty and shifting expectations for interest rates.

We consider this retracement to be a healthy correction that has cleared out speculative positions, providing a new trading floor for continuing price momentum. Furthermore, we continue to see persistent central bank demand and a growing recognition of gold as a foundational safe haven asset in a shifting global economy.

### Record Gold Equity Margins Overcome Rising Costs

Rising energy prices are placing upward pressure on operating costs for gold producers. RBC Capital Markets reports that year-to-date energy hikes could add \$70/oz to costs, or up to \$95/oz when factoring in secondary impacts. If these energy prices remain elevated, industry costs could climb 10–20% by 2027 relative to original 2026 guidance.

However, the current strength of the gold price has more than compensated for these rising expenses. Producers are now operating in the strongest financial environment in history. With AISC (All-in Sustaining Cost) Margins sitting in the \$3,000/oz range, significant free cash flow is generated and being returned to shareholders through dividends and share buybacks.

Despite these strong fundamentals, many gold equities continue to trade at attractive valuations to historical averages. This may create a compelling entry point for investors as profit growth should continue to outpace cost inflation.

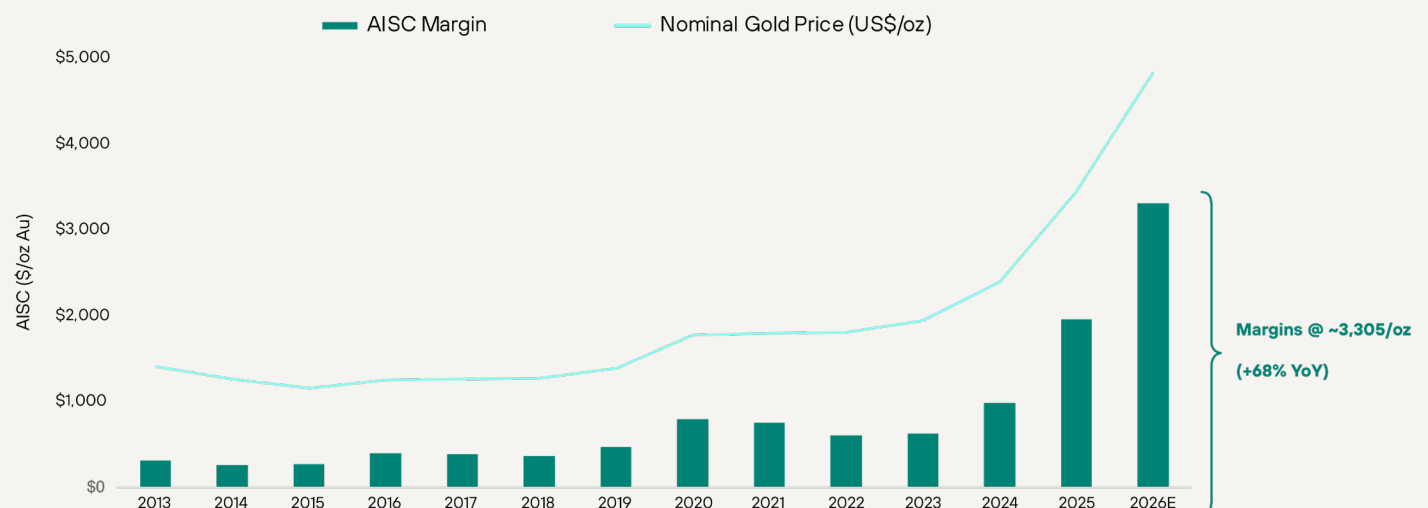
### We Are Still in a Multi-Year Gold Bull Cycle

With a more hawkish tone from the Federal Reserve and a period of dollar strength, gold has instead established a new trading range in the \$4,500 range and investors are likely looking for some price stability. We continue to believe that gold is in a multi-year bull cycle and we view the current pull-back as a buying opportunity. The long-term fundamentals remain highly compelling as the industry prepares for the next leg of this significant market cycle.

*“Many gold equities continue to trade at attractive valuations to historical averages. This may create a compelling entry point for investors as profit growth should continue to outpace cost inflation.”*

— Nawojka Wachowiak  
Senior Portfolio Manager  
Ninepoint Partners

Figure 4: Gold Margins



Source: BMO. The forecast nominal gold price in 2026 is \$4,831/oz. Report as of April 30, 2026. Data retrieved on May 13, 2026.

# Structural Scarcity Sets Up the Next Leg for Silver

## Silver Equities Outlook

Nawojka Wachowiak, Senior Portfolio Manager

Silver continues to trade in close correlation with gold, serving as a safe-haven asset during this period of global instability.

While silver experienced a significant and rapid correction from its early-year highs of US\$116/oz, the metal appears to have now found a new stable trading range, confirming its ability to provide diversification in an increasingly uncertain global environment.

### Constrained Supply and Inelastic Demand

The fundamental backdrop for silver remains unchanged and the physical market remains in a structural supply deficit.

According to the World Silver Survey 2026, global mine production remains heavily constrained. Strict permitting requirements, multi-year construction timelines and slow production ramp-ups suggest that silver producers will be unable to rapidly increase output, regardless of price incentives. Heightened security concerns in Mexico, a key source of global supply, have further complicated development in this region, just as permitting delays are starting to ease.

Meanwhile, demand remains remarkably inelastic as consistent growth from solar, 5G infrastructure and semiconductors remains largely unchanged.

We believe that this rigid supply ceiling coupled with persistent and steady demand growth has moved the silver market into a new era of structural scarcity. This is also why, following the significant correction in Q1 2026, silver prices quickly stabilized at a new support level near \$70/oz. This new price floor reflects the beginning of a fundamental shift in the market's perception of silver from a speculative

investment to an underfunded critical mineral and core strategic asset in investment portfolios.

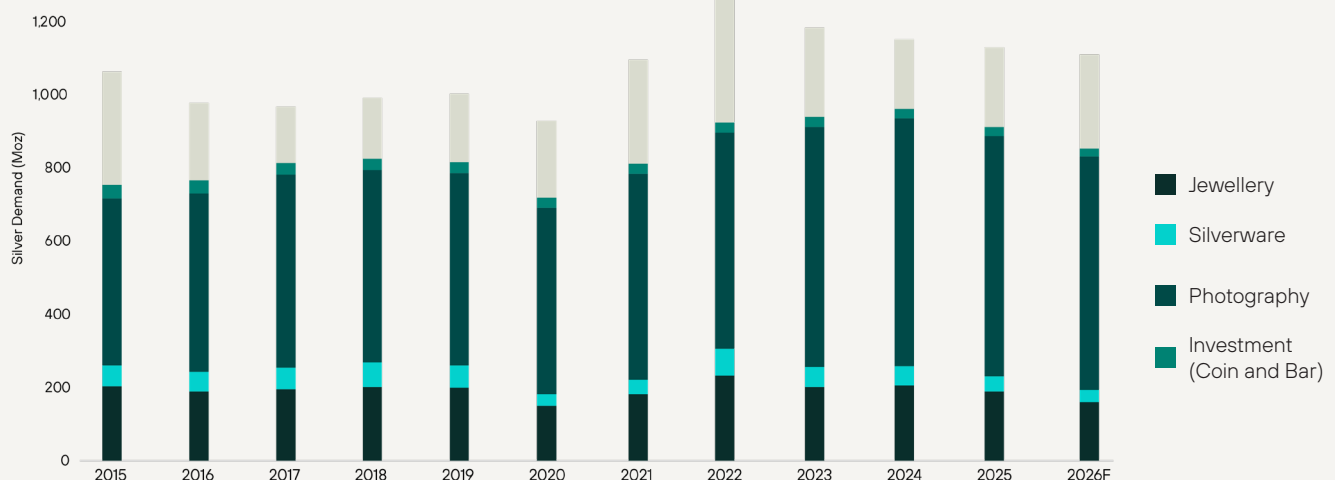
### Expanding Opportunity for Equities

For silver producers, the current price environment is facilitating a historic expansion in profit margins. This financial strength is being utilized to fortify balance sheets and toward asset re-investment and exploration. Excess capital has also been earmarked towards a new wave of shareholder returns, including share buyback programs and dividends. Despite this improved profitability, silver equities still trade at attractive levels and may offer a compelling opportunity for investors.

*"With the physical market in a multi-year deficit, the structural bullish case for silver remains firmly intact. Investor positioning also remains relatively low compared to historical peaks, and the silver market appears well-positioned for further upside."*

— Nawojka Wachowiak  
Senior Portfolio Manager  
Ninepoint Partners

**Figure 5: Silver Demand Makeup by Industry**  
Industrial Demand Remains Strong



Source: The Silver Institute, as of April 15, 2026

# An Earnings-Driven Rally

## Global Equities Outlook

Sam Mitter, Senior Portfolio Manager  
Jonathan Lo, Portfolio Manager

### The First Half in Review

If someone had handed you the headlines at the start of 2026 and asked you to predict where equity markets would be by June, you might have been forgiven for guessing lower. An Iran war. The Strait of Hormuz effectively closed. Gasoline prices spiking. CPI back above 4% for the first time since 2023. A Federal Reserve that entered the year expected to cut rates twice and exited the half with markets pricing something closer to a hike. And yet, global equity markets finished the first half in positive territory, driven by an exceptional earnings growth environment.

The reason is not hard to find. Two powerful forces dominated the first half: an energy crisis that few had fully modeled, and an artificial intelligence spending boom that is transitioning from infrastructure buildout to genuine monetization. Understanding both – and how they interact – is the work of the second half.

What matters is that earnings remained the dominant anchor for price performance: when earnings grow, stocks follow. That relationship has not changed.

### The Energy Crisis: Real and Ongoing

The Iran war that began in February 2026 produced an immediate and dramatic effect on global oil markets. Traffic through the Strait of Hormuz – the chokepoint through which roughly 20% of the world's oil supply transits – collapsed almost overnight.

Global inventories, recovering from post-COVID lows, began declining at a pace that JPMorgan and Bloomberg data describe as record-setting. If unresolved, the trajectory points toward operational stress levels – the minimum required to keep pipelines and refineries functioning – by late summer.

Asian economies are the most exposed, where there are already signs of rationing. Europe is less exposed on aggregate but faces acute shortages in jet fuel, with commercial stocks in the UK, Germany, France, and Ireland already on sharp downward trajectories through year-end.

The United States is not immune, despite domestic production. Globally integrated energy markets mean that a shortage in Asia and Europe raises the price of everything, everywhere. U.S. gasoline prices are now approximately 50% higher than they were before the war, and the transmission through to producer prices is already visible. U.S. PPI for final demand hit 6% year-over-year in April. CPI is running at 3.78%.

This has had an impact on monetary policy expectations. The market entered 2026 expecting two rate cuts, which have now been replaced with 0.4 hikes, arriving at amid weak consumer confidence.

The partial offset comes from fiscal policy. The One Big Beautiful Bill, has delivered real cash to consumers in the near term, pushing tax refunds 17% ahead of last year,

resulting in approximately \$50 billion of additional stimulus. However, refund season is now coming to an end.

The bottom line on energy: the crisis is real, it is ongoing, and its full inflationary impact has not yet worked its way through the system. Higher energy prices compress consumer spending, suppress rate cut expectations, and put downward pressure on equity multiples. Yet the market has rallied through this, because this is only one side of the story.

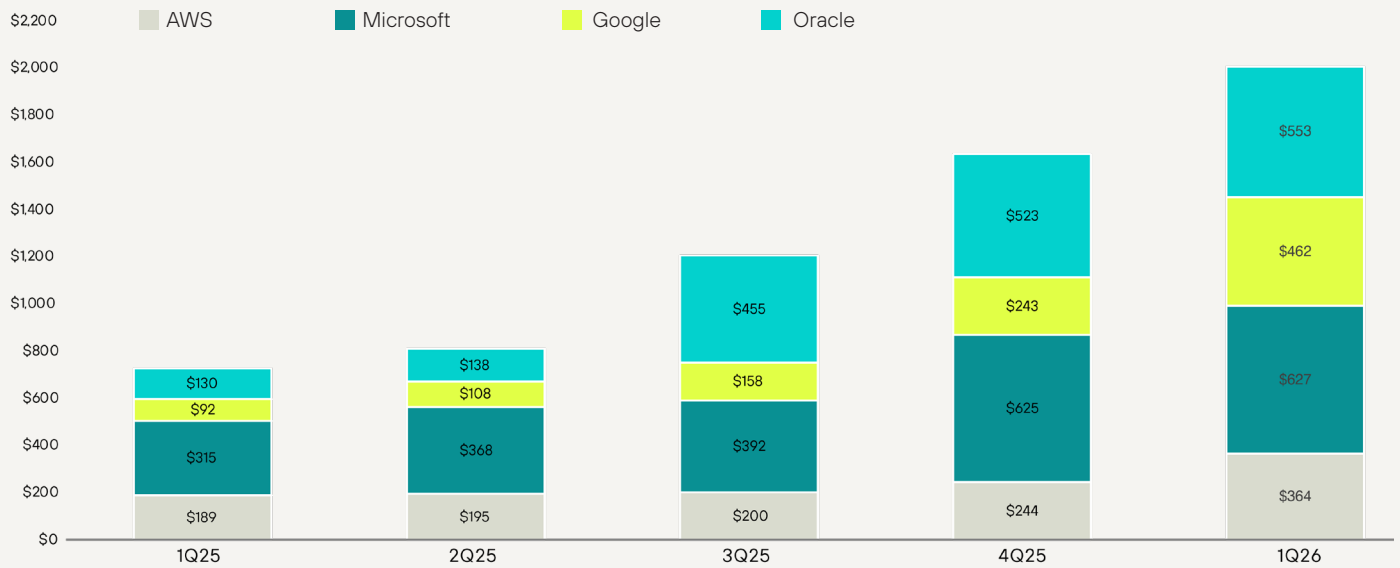
### The AI Boom: From Buildout to Monetization

The AI spending cycle continued to accelerate in the first half of 2026. Hyperscaler cloud capital expenditure has been growing at roughly 90% year-over-year, and the aggregate run rate is now approaching figures that dwarf every comparable infrastructure buildout in American economic history.<sup>1,2</sup>

What distinguishes this period from earlier phases of AI enthusiasm is evidence that the spending is generating revenue. The cloud RPO – remaining performance obligation, essentially the contracted future revenue backlog – for AWS, Microsoft Azure, Google Cloud, and Oracle crossed \$2 trillion in the first quarter of 2026, up approximately 175% year-over-year. Meanwhile, the AI model providers are scaling with equal speed, with annualized revenues for OpenAI and Anthropic accelerating dramatically.

All of this has had an outsized impact on earnings. Overall earnings have been robust, with S&P 500 companies tracking to 25% earnings growth in the first quarter (16% after backing out SpaceX/Anthropic investments by Google and Amazon). Large-cap AI plays account for roughly 40% of S&P 500 revenue growth, and 70% of earnings growth.

Figure 6: Cloud Backlog (RPO)



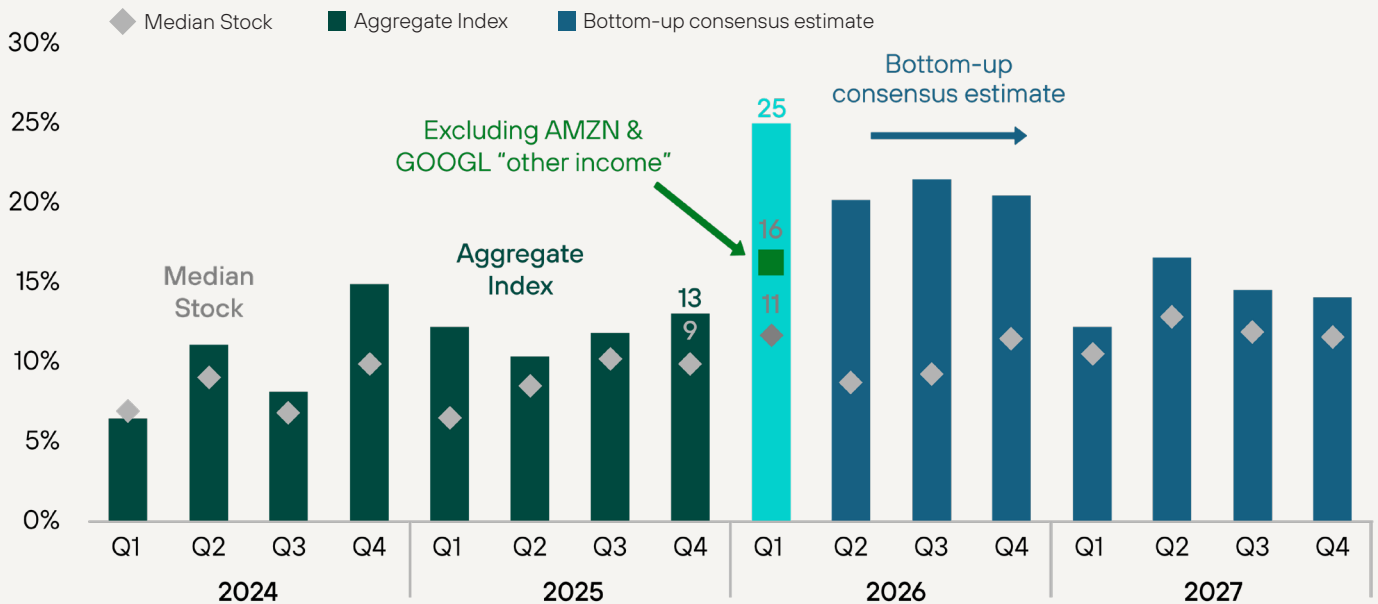
Source: Bank of America Merrill Lynch, as of May 2026

*"The first half of 2026 demonstrated that despite the macroeconomic stress, earnings remain the most influential factor to market returns."*

– Sam Mitter, Senior Portfolio Manager and Jonathan Lo, Portfolio Manager  
Ninepoint Partners

Figure 7: S&P 500 Earnings Growth Robust

S&P 500 Q1 2026 EPS growth is tracking at a strong pace, even adjusting for one-time distortions



Source: FactSet, Goldman Sachs Global Investment Research

## Reconciling the Two: What It Has Meant for Earnings

The apparent contradiction of the first half is less paradoxical than it appears. The energy crisis and the AI boom are operating on different parts of the income statement, in different sectors, for different companies.

Energy and materials earnings revisions since late February have been the strongest in the S&P 500 by a considerable margin, with upward EPS revisions of over 30% for the energy sector alone. Higher oil prices, whatever their macroeconomic cost, are directly accretive to the earnings of producers, refiners, pipeline operators, and the broader energy services complex.

Technology earnings revisions, at 7.3% since February, tell the AI story. The combination of these two unrelated drivers – geopolitical shock on one side, secular technology adoption on the other – has produced an aggregate S&P 500 earnings growth picture that is, by historical standards,

exceptional. Full-year 2026 consensus EPS growth is tracking toward 26% on a bottom-up basis. The median stock is growing earnings at roughly 11%. Both numbers are well above long-run averages.

Having said that, we would not dismiss the impacts of the energy crisis, many of which have yet to be fully felt. Consumer and producer inflation are both moving in the wrong direction, with CPI approaching 4% and PPI already running at 6%. The U.S. 10-year yield has moved back above 4.5% – a threshold that has historically coincided with increased equity market volatility.

We nonetheless remain constructive over the longer term. Earnings continue to grow at an above-average rate. The benefits from AI capital spending, in particular, have still yet to fully play out at the revenue and earnings layer. The backlog is building, the contracts are signed, and the monetization curve is just beginning to steepen.

# Electrification, Sovereignty Driving Infrastructure's Next Growth Phase

## Infrastructure Outlook

Jeff Sayer, Vice President, Portfolio Manager

Infrastructure equities have continued to build on long-term gains, compounding steadily over the first half of 2026.

Looking back, the year began optimistically with solid global economic growth metrics, resilient labour data and bullish investor sentiment. Further, monetary policy looked to remain supportive in 2026, with investors expecting at least two interest rate cuts by the end of the current calendar year.

By late February/early March, the backdrop had changed. Escalating conflict in the Middle East pushed oil prices sharply higher, with Iran's closure of the Strait of Hormuz sending Brent close to US\$120 and WTI above US\$115. That shock brought stagflation concerns back into focus, lifting rate expectations and the U.S. dollar while putting pressure on equity valuations.

### Infrastructure Holds Up

In the face of the ongoing war in the Middle East (currently under a tenuous ceasefire), the infrastructure asset class proved to be well positioned with certain sub-sectors and sub-industries outperforming.

Notably, the energy sector rallied along with crude oil and natural gas prices and the utilities sector rallied because of its defensive characteristics. Utilities have also benefitted greatly from exposure to the electrification of the global economy, a continuing theme tied to accelerating demand from AI-focused data centres, electrified transportation and industrial manufacturing reshoring.

### A New Theme: Sovereign Infrastructure

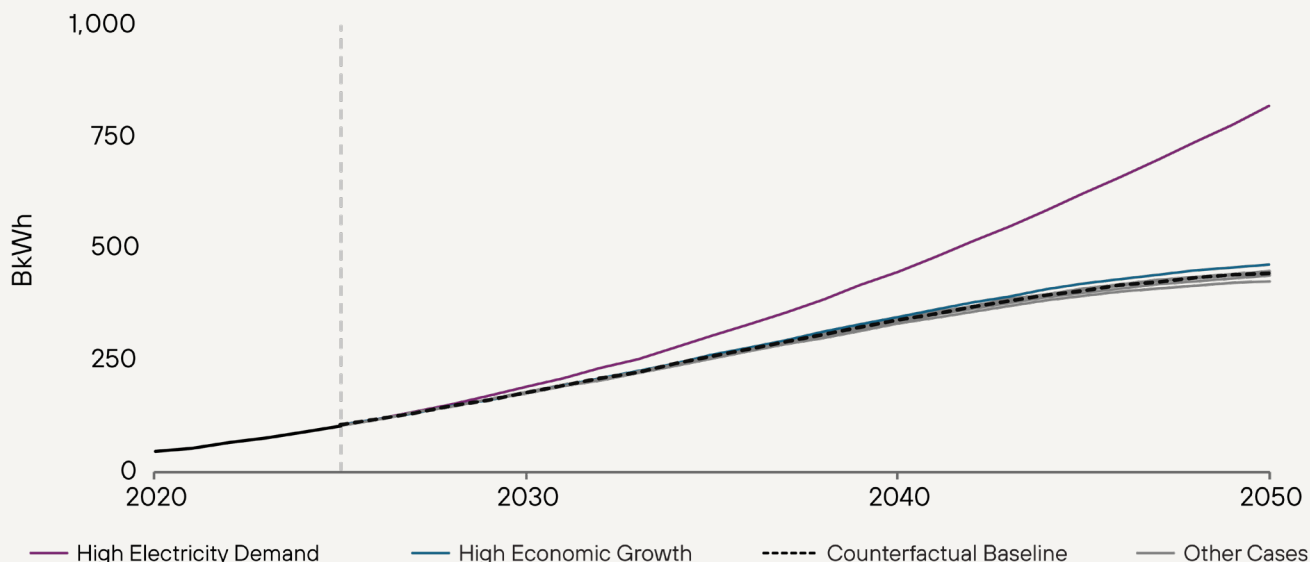
In addition to the ongoing electrification of the global economy, we see a new investment theme emerging,

which should also become a key performance driver for many years to come. The closure of the Strait of Hormuz – a chokepoint not only for 20% of global oil trade, but also for LNG, fertilizer, and other commercial traffic flows – has reinforced the imperative for sovereignty over critical infrastructure, including transportation, energy, digital networks, and industrial capacity.

As NATO Secretary General Mark Rutte put it, "roads, rail and ports are just as important as tanks, fighters and warships."

The renewed emphasis on sovereign control is evident in NATO's 2025 defence spending commitment of 5.0% of total GDP, comprising 3.5% linked to core defence spending, and 1.5% linked to critical infrastructure sub-sectors. Relative to 2024, this translates into approximately \$800 billion in incremental annual infrastructure spending by 2035 across member nations.

Figure 8: Commercial Data Centre Server Electricity Consumption, in billion kilowatt hours



Source: U.S. Energy Information Administration, Annual Energy Outlook 2026

## Energy Security is National Security

The push for new infrastructure projects in the interest of national security is becoming apparent even in Canada, which would be hugely positive in terms of GDP growth, employment and security for our country.

Jonathan McKenzie, President and CEO of Cenovus Energy Corporation, captured it well during the Company's May 6 earnings call: "the events of the last few weeks have clearly shown the world that energy security is national security and energy security is economic security".

### Looking Ahead

Infrastructure investors should look forward to years of above-trend spending on critical infrastructure projects around the world, including investments in traditional energy, electric, natural gas, nuclear & multi-utilities and

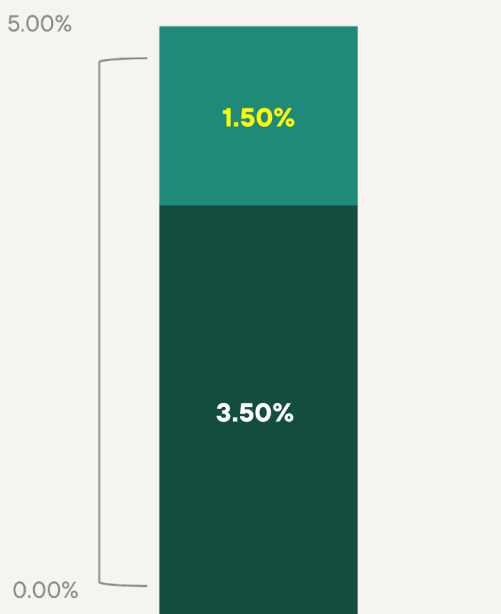
construction & engineering contractors.

At Ninepoint, we continue to believe that the infrastructure asset class, which blends attractive characteristics of both fixed income and equity securities, should be considered a core holding in a diversified portfolio.

*"The ongoing electrification of the global economy, along with the push for new infrastructure projects in the interest of national security, should drive years of above-trend spending on critical infrastructure projects around the world."*

— Jeff Sayer  
Vice President, Portfolio Manager  
Ninepoint Partners

Figure 9: NATO's 2035 Defence Investment Commitment



### Critical Infrastructure

- Transport networks (roads, rail, ports)
- Energy systems (grid, storage, fuel infrastructure)
- Secure digital networks
- Industrial & manufacturing capacity

### Core Defence

- Weapons systems
- Personnel
- Operations

Source: NATO, Defence expenditures and NATO's 5% commitment. Published April 10, 2026.

# From Speculative Technology to Financial Infrastructure

## Digital Assets Outlook

Jake Moodie, Analyst, Ninepoint Digital Asset Group  
John Wilson, Co-CEO, Managing Partner, Senior Portfolio Manager

Historically, crypto prices have led adoption. In 2026, that relationship has inverted: adoption is scaling while prices lag. In our view, this rare dislocation between fundamentals and price may prove to be one of the defining investment opportunities of this cycle.

The crypto asset class experienced elevated volatility in the first half of 2026 as broader markets reacted to escalating geopolitical tensions, evolving monetary policy expectations, AI-driven disruption fears, and emerging private credit contagion risks. Prices were further pressured by uncertainty surrounding the CLARITY Act's passage, alongside growing concerns that 2026, the fourth year of the current crypto market cycle, would once again follow the industry's historically cyclical pattern of sharp fourth-year corrections.

Yet beneath the price weakness, crypto entered one of the strongest adoption phases in its history. From Wall Street institutions to global consumer platforms, integration of crypto infrastructure accelerated, widening the gap between short-term sentiment and long-term fundamentals.

### Crypto's Multi-Trillion-Dollar Engines: Stablecoins and Tokenization

Looking ahead to the second half of 2026, we believe stablecoins and tokenization will continue to define crypto's next chapter. The world has awakened to crypto's first true 'killer' application: stablecoins. The market has grown from under [\\$5 billion a few years ago to more than \\$300 billion today](#)<sup>3</sup>, showing how crypto rails can supercharge traditional financial assets, making them global, instantaneous, 24/7/365, and dramatically more efficient. With roughly 1.3 billion people still unbanked and carrying smartphones, stablecoins have effectively democratized access to a U.S. dollar bank account for anyone with an internet connection.

Tokenization of other real-world assets (RWAs) represents the next phase of that evolution. Tokenized RWAs have [surpassed \\$30 billion](#)<sup>4</sup>, up 200% year-over-year, as Wall Street is bringing equities, commodities, treasuries, and credit products onto crypto rails. In 2026, the NYSE and Nasdaq each unveiled plans for tokenized stock platforms, Morgan Stanley announced plans to launch a digital wallet for tokenized RWAs, and the S&P 500 officially became tradable onchain, among many other examples. BlackRock CEO [Larry Fink recently remarked](#)<sup>5</sup> that tokenization today is "where the internet was in 1996" and that the financial services industry is at the "beginning of the tokenization of all assets."

Just as stablecoins democratized access to U.S. dollar bank

accounts, tokenization is poised to extend that same access to capital markets, laying the foundation for a truly inclusive global financial system. We view both as among the largest growth opportunities in crypto today, with each positioned to scale into multi-trillion-dollar markets in the years ahead.

### No Longer Whether to Allocate, But How: The Case for the Full Stack

Investor appetite for crypto has matured meaningfully over the past year. The majority of new demand has flowed into the largest crypto assets including Bitcoin, Ethereum, and Solana, while interest in smaller, retail-favored altcoins has fallen sharply, a clear marker of a maturing ecosystem. At the same time, investor demand is extending beyond crypto assets themselves into the wider ecosystem of crypto-related equities, alongside traditional companies adopting the technology at scale. This broadening marks crypto's transition from a single trade into a full investable sector, one institutions are no longer asking whether to allocate to, but how.

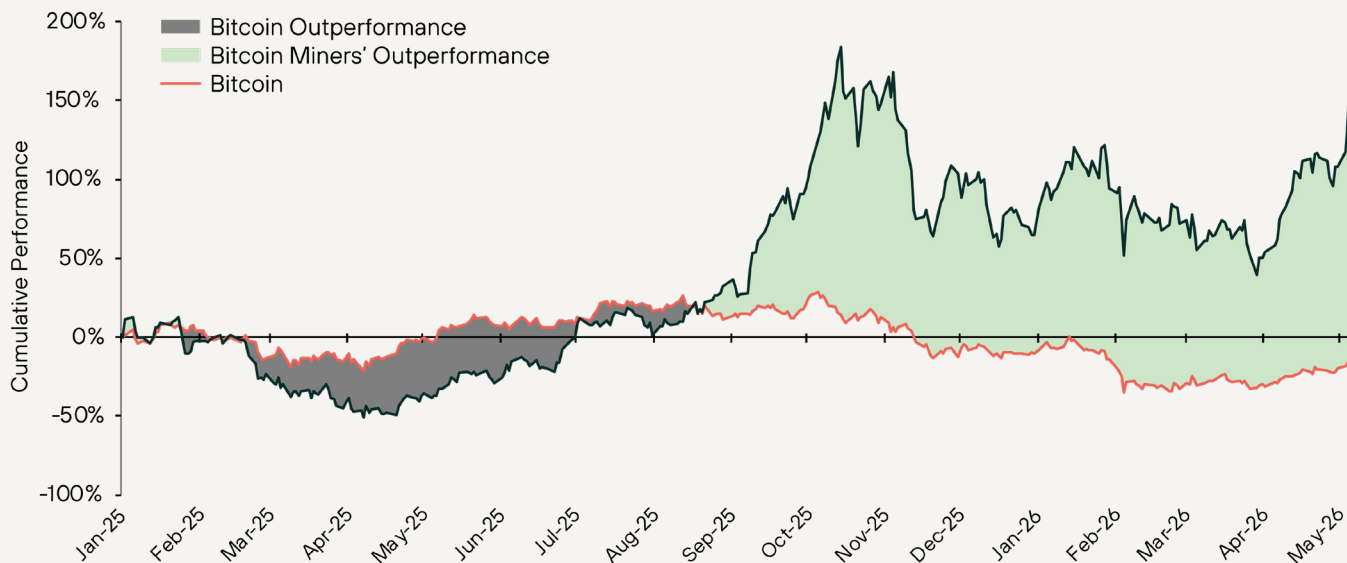
Today, many investors say they have crypto exposure when, in practice, they only own Bitcoin. A decade ago, that may have captured most of the industry's growth. That is no longer the case. Crypto has matured well beyond it into a much broader stack, with many of its fastest-growing verticals existing largely outside Bitcoin itself. Value is increasingly accruing across the entire crypto stack: networks, applications, public companies, and adopters.

*"The biggest reason to have exposure to the asset class is that crypto has crossed the line from speculative technology to financial infrastructure. The institutions that were once its loudest skeptics – banks, asset managers, exchanges, and payment networks – are now its biggest adopters. Crypto is no longer adjacent to the financial system; it's becoming part of it."*

– Jake Moodie  
Analyst

Ninepoint Digital Asset Group

Figure 10: Bitcoin vs. Bitcoin Miners - Relative Performance Since 2025



Source: Bloomberg

### The Convergence Investors Are Missing: Crypto and AI

The most underappreciated trend emerging is the rapid convergence between crypto and AI. While many investors still view them as separate technologies, we see them as increasingly interconnected.

On the physical side, several crypto miners have evolved into providers of high-performance compute (HPC) and data centre infrastructure for AI workloads, and as a result, have materially outperformed Bitcoin since the start of 2025 (see chart above). To date, this crypto mining complex has now [announced more than \\$70 billion](#)<sup>6</sup> in AI/HPC-related agreements as power availability becomes a critical bottleneck in the global AI race.

On the digital side, crypto networks are emerging as the transaction layer for AI agents. Unlike humans, AI agents cannot open bank accounts, but they can own crypto wallets and transact in stablecoins globally, 24/7/365, at near-zero cost. [Stripe recently noted](#)<sup>7</sup> that AI agents may eventually drive the majority of internet transactions, and that blockchains may need to support millions, or even billions, of transactions per second to power this machine economy. We've already seen what AI demand has done for crypto's physical infrastructure, and we expect the same to unfold for crypto networks as AI agent commerce ramps up.

### The Internet Moment for Finance

The biggest misperception starts with the word "cryptocurrency" itself. The term suggests crypto is simply trying to replace fiat currencies, but in reality, much of the innovation is rebuilding the world's financial infrastructure for the internet era. Crypto enables value and assets of all types, such as dollars, equities, and commodities, to move globally in seconds, at near-zero cost, and without traditional middlemen.

Nearly every industry has been modernized for the digital age, yet much of the global financial system still runs on infrastructure built before the internet existed. Crypto is doing for finance what the internet did for communication, making value move as freely as information already does.

The asset class remains volatile, and position sizing matters. But for long-term investors, even a modest allocation offers meaningful exposure to what we believe will be one of the defining technological innovations of our lifetime.

The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Ninepoint Partners LP Funds referred to on this website may be lawfully sold in their jurisdiction.

Certain statements in this website are "forward-looking statements" which reflect Ninepoint Partners LP's expectations regarding future growth, supply and demand of assets, any appreciation in the value of assets, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate", "aim", "endeavour" and similar expressions have been used to identify these forward-looking statements. Such forward-looking statements reflect Ninepoint Partners LP's current beliefs with respect to future events and are based on information currently available to Ninepoint Partners LP. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. A number of factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including, without limitation, those risks and uncertainties discussed elsewhere on this website. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this website. These factors should be considered carefully and prospective investors should not place undue reliance on these forward-looking statements. Although the forward-looking statements contained on this website are based upon what Ninepoint Partners LP currently believes to be reasonable assumptions, Ninepoint Partners LP cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of inclusion on this website, and Ninepoint Partners LP does not intend, and Ninepoint Partners LP does not assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances.

The opinions, estimates and projections ("information") contained within this report are solely those of Ninepoint Partners LP and are subject to change without notice. Ninepoint Partners makes every effort to ensure that the information has been derived from sources believed to be reliable and accurate. However, Ninepoint Partners assumes no responsibility for any losses or damages, whether direct or indirect, which arise out of the use of this information. Ninepoint Partners is not under any obligation to update or keep current the information contained herein. The information should not be regarded by recipients as a substitute for the exercise of their own judgment. Please contact your own personal advisor on your particular circumstances. Views expressed regarding a particular company, security, industry or market sector should not be considered an indication of trading intent of any investment funds managed by Ninepoint Partners LP. Any reference to a particular company is for illustrative purposes only and should not to be considered as investment advice or a recommendation to buy or sell nor should it be considered as an indication of how the portfolio of any investment fund managed by Ninepoint Partners LP is or will be invested. Ninepoint Partners LP and/or its affiliates may collectively beneficially own/control 1% or more of any class of the equity securities of the issuers mentioned in this report. Ninepoint Partners LP and/or its affiliates may hold short position in any class of the equity securities of the issuers mentioned in this report. During the preceding 12 months, Ninepoint Partners LP and/or its affiliates may have received remuneration other than normal course investment advisory or trade execution services from the issuers mentioned in this report.

Ninepoint Partners LP: Toll Free: 1.866.299.9906. DEALER SERVICES: CIBC Mellon GSSC Record Keeping Services: Toll Free: 1.877.358.0540

1. Bloomberg
2. The Wall Street Journal: Big Tech's AI Push Is Costing a Lot More Than the Moon Landing
3. RWA.xyz
4. RWA.xyz
5. The Economist: Larry Fink and Rob Goldstein on How Tokenisation Could Transform Finance
6. CoinShares: Bitcoin Mining Report | Q1 2026
7. Stripe's 2025 Annual Letter





Ninepoint Partners manages innovative investment solutions that offer investors the benefits of better diversification.

[www.ninepoint.com](http://www.ninepoint.com)