



# Ninepoint Target Income 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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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of Ninepoint Target Income Fund (the “Fund”) is to seek to provide unitholders with stable, monthly distributions and lower volatility than a direct investment in the broad equity markets by investing primarily in a diversified portfolio of equity index based investments that generates income and using derivatives strategies to moderate the market volatility of those investments. To achieve the Fund’s investment objective, the Fund seeks to generate income by primarily selling put options on broad equity indices, including exchange traded funds (“ETFs”). Additionally, it may enter into, or obtain exposure to, systematic put selling strategies through the use of derivative instruments, such as swaps. As part of its investment strategy, the Fund may also:

- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by the Canadian Securities Administrators;
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities regulations; and
- hold cash, short-term money market instruments and fixed income securities, at any time, for cash management purposes.

### Risks

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

### Results of Operations

The Fund, Series SF returned 3.0% in the first half of 2024, while its benchmark, returned 7.4%.

The first half of 2024 has seen a continuation of strength in technology shares with more muted performance in many cyclical sectors such as industrial and financials. Index implied volatility was stable in first half of the year, with muted correlation between equities and low single stock volatility. Despite the improved earnings trends, valuation multiple expansion has driven much of the equity market performance so far this year with strong contributions from AI related equities. This could leave equity markets vulnerable if investors start to question the sustainability of AI related investment spending, driving either outright declines in markets or a volatile internal rotation into lagging sectors.

The Fund has been positioned for this environment by deploying put selling strategies that provide a protective buffer against moderate price declines in the underlying index. The top factors contributing to performance were yields on short-term money securities driving higher returns on cash combined with positive returns on the S&P 500 underlying put option portfolio.

The money market securities portfolio and the S&P 500 85 strike laddered puts were the top contributors to performance. Bottom performers were the S&P 500 75 & EU 75 strike laddered puts. During the period, the portfolio increased the proportional position in S&P 500 85 & 80 strike laddered puts. The Fund also increased its proportional put selling exposure to European SX5E underlying index and Canadian SPTSX 60 underlying index. These combined actions were taken to increase the potential of the portfolio to generate long-term income distributions.

The Fund’s net asset value decreased by 16.6% during the period, from \$38.6 million as at December 31, 2023 to \$32.2 million as at June 30, 2024. This change was predominantly due to net redemptions of \$6.4 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.

# Ninepoint Target Income Fund

June 30, 2024

## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 1.60% for Series A units, 0.60% for Series F units and ETF Series units, 1.30% for Series S units, 0.30% for Series SF units and as negotiated by the unitholders for Series I. 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 \$111,538. 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 Target Income Fund – Series A	37%	63%
Ninepoint Target Income Fund – Series F	100%	–
Ninepoint Target Income Fund – Series I	100%	–
Ninepoint Target Income Fund – Series S	100%	–
Ninepoint Target Income Fund – Series SF	100%	–
Ninepoint Target Income Fund – ETF Series	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$416 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 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 Target Income 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 <sup>5</sup>
Series A	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>9.83</b>	9.89	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.21	0.38	0.14
Total expenses	(0.11)	(0.22)	(0.08)
Realized gains (losses) for the period	0.13	0.36	0.13
Unrealized gains (losses) for the period	(0.01)	0.02	0.04
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.22</b>	0.54	0.23
<b>Distributions:</b>			
From income (excluding dividends)	(0.29)	(0.41)	(0.18)
From capital gain	—	(0.20)	—
From return of capital	—	—	(0.07)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.29)</b>	(0.61)	(0.25)
<b>Net assets, end of period</b>	<b>9.76</b>	9.83	9.89

	June 30, 2024	Dec 31, 2023	Dec 31, 2022 <sup>5</sup>
Series F	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>10.00</b>	9.94	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.21	0.38	0.13
Total expenses	(0.06)	(0.11)	(0.04)
Realized gains (losses) for the period	0.14	0.35	0.25
Unrealized gains (losses) for the period	(0.01)	0.02	(0.05)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.28</b>	0.64	0.29
<b>Distributions:</b>			
From income (excluding dividends)	(0.30)	(0.51)	(0.23)
From capital gain	—	(0.10)	—
From return of capital	—	—	(0.02)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.30)</b>	(0.61)	(0.25)
<b>Net assets, end of period</b>	<b>9.99</b>	10.00	9.94

# Ninepoint Target Income Fund

June 30, 2024

Series I	June 30, 2024 <sup>6</sup> \$
<b>Net assets, beginning of period</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	0.12
Total expenses	(0.02)
Realized gains (losses) for the period	0.08
Unrealized gains (losses) for the period	0.01
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.19</b>
<b>Distributions:</b>	
From income (excluding dividends)	(0.20)
From capital gain	—
From return of capital	—
<b>Total annual distributions<sup>3</sup></b>	<b>(0.20)</b>
<b>Net assets, end of period</b>	<b>10.00</b>

Series S	June 30, 2024 \$	Dec 31, 2023 \$	Dec 31, 2022 <sup>4</sup> \$
<b>Net assets, beginning of period</b>	<b>9.93</b>	<b>9.97</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.20	0.38	0.15
Total expenses	(0.09)	(0.19)	(0.10)
Realized gains (losses) for the period	0.14	0.37	0.18
Unrealized gains (losses) for the period	(0.01)	0.02	0.04
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.24</b>	<b>0.58</b>	<b>0.27</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.30)	(0.47)	(0.22)
From capital gain	—	(0.15)	—
From return of capital	—	—	(0.08)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.30)</b>	<b>(0.62)</b>	<b>(0.30)</b>
<b>Net assets, end of period</b>	<b>9.88</b>	<b>9.93</b>	<b>9.97</b>

# Ninepoint Target Income Fund

June 30, 2024

	June 30, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
Series SF	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>10.10</b>	10.03	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.21	0.39	0.15
Total expenses	(0.04)	(0.08)	(0.04)
Realized gains (losses) for the period	0.14	0.37	0.16
Unrealized gains (losses) for the period	(0.01)	0.02	0.02
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.30</b>	0.70	0.29
<b>Distributions:</b>			
From income (excluding dividends)	(0.30)	(0.59)	(0.25)
From capital gain	–	(0.03)	–
From return of capital	–	–	(0.05)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.30)</b>	(0.62)	(0.30)
<b>Net assets, end of period</b>	<b>10.10</b>	10.10	10.03

	June 30, 2024	Dec 31, 2023	Dec 31, 2022 <sup>4</sup>
ETF Series	\$	\$	\$
<b>Net assets, beginning of period</b>	<b>20.14</b>	20.01	20.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.42	0.77	0.30
Total expenses	(0.11)	(0.23)	(0.11)
Realized gains (losses) for the period	0.27	0.65	0.30
Unrealized gains (losses) for the period	(0.02)	0.28	0.19
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.56</b>	1.47	0.68
<b>Distributions:</b>			
From income (excluding dividends)	(0.60)	(0.98)	(0.41)
From capital gain	–	(0.27)	(0.01)
From return of capital	–	–	(0.18)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.60)</b>	(1.25)	(0.60)
<b>Net assets, end of period</b>	<b>20.10</b>	20.14	20.01

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

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net 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.

3 Distributions were reinvested in additional units of the Fund or paid in cash.

4 Information provided is for the period from June 29, 2022 (launch date) to December 31, 2022 for Series S units, Series SF units and ETF Series units.

5 Information provided is for the period from August 2, 2022 (first issuance) to December 31, 2022 for Series A units and Series F units.

6 Information provided is for the period from March 8, 2024 (first issuance) to June 30, 2024 for Series I units.

# Ninepoint Target Income Fund

June 30, 2024

## Ratios and Supplemental Data

	June 30, 2024	Dec 31, 2023	Dec 31, 2022
Series A			
Total net asset value (000's) <sup>1</sup>	\$2,035	\$1,745	\$705
Number of units outstanding <sup>1</sup>	208,594	177,513	71,200
Management expense ratio <sup>2</sup>	2.23%	2.22%	1.88%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.76	\$9.83	\$9.89

	June 30, 2024	Dec 31, 2023	Dec 31, 2022
Series F			
Total net asset value (000's) <sup>1</sup>	\$14,708	\$20,062	\$11,383
Number of units outstanding <sup>1</sup>	1,472,971	2,005,481	1,144,849
Management expense ratio <sup>2</sup>	1.09%	1.12%	0.93%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.99	\$10.00	\$9.94

	June 30, 2024
Series I	
Total net asset value (000's) <sup>1</sup>	\$1,361
Number of Units outstanding <sup>1</sup>	136,121
Management expense ratio <sup>2</sup>	0.56%
Trading expense ratio <sup>3</sup>	0.00%
Portfolio turnover rate <sup>4</sup>	—
Net asset value per unit <sup>1</sup>	\$10.00

	June 30, 2024	Dec 31, 2023	Dec 31, 2022
Series S			
Total net asset value (000's) <sup>1</sup>	\$1,099	\$1,264	\$1,313
Number of Units outstanding <sup>1</sup>	111,288	127,227	131,725
Management expense ratio <sup>2</sup>	1.89%	1.89%	1.98%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$9.88	\$9.93	\$9.97

	June 30, 2024	Dec 31, 2023	Dec 31, 2022
Series SF			
Total net asset value (000's) <sup>1</sup>	\$11,992	14,340	\$16,667
Number of units outstanding <sup>1</sup>	1,187,018	1,419,186	1,662,530
Management expense ratio <sup>2</sup>	0.78%	0.78%	0.83%
Trading expense ratio <sup>3</sup>	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	\$10.10	\$10.10	\$10.03

# Ninepoint Target Income Fund

June 30, 2024

ETF Series	June 30, 2024	Dec 31, 2023	Dec 31, 2022
Total net asset value (000's) <sup>1</sup>	<b>\$1,005</b>	\$1,208	\$3,202
Number of Units outstanding <sup>1</sup>	<b>50,000</b>	60,000	160,000
Management expense ratio <sup>2</sup>	<b>1.14%</b>	1.12%	1.14%
Trading expense ratio <sup>3</sup>	<b>0.00%</b>	0.00%	0.00%
Portfolio turnover rate <sup>4</sup>	—	—	—
Net asset value per unit <sup>1</sup>	<b>\$20.10</b>	\$20.14	\$20.01
Closing Market Price <sup>5</sup>	<b>\$20.20</b>	\$20.19	\$20.07

1 This information is provided as at June 30, 2024 and December 31 for the years shown prior to 2024.

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..

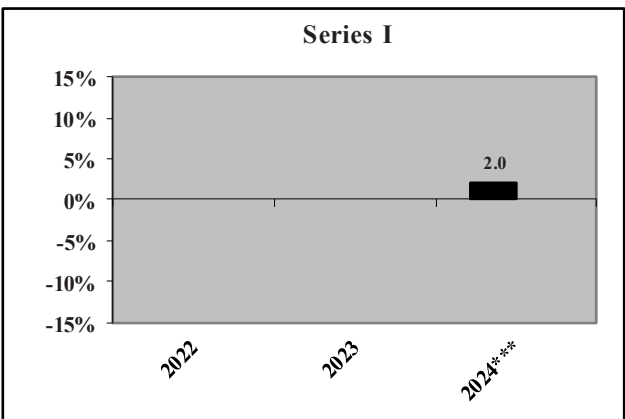
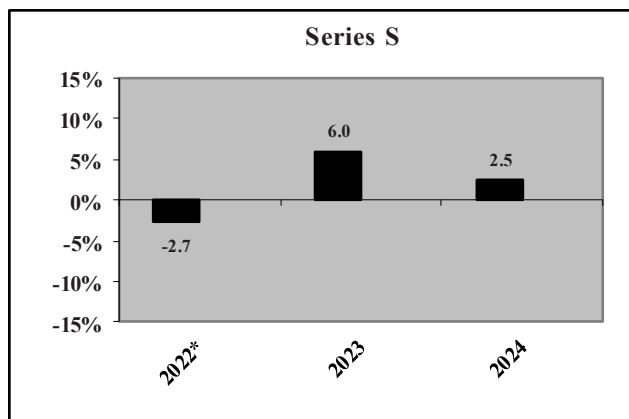
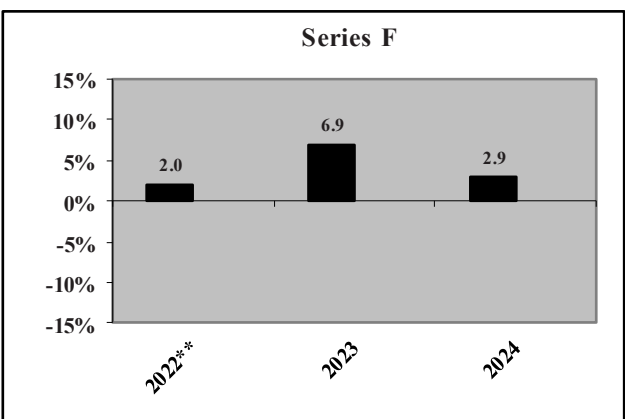
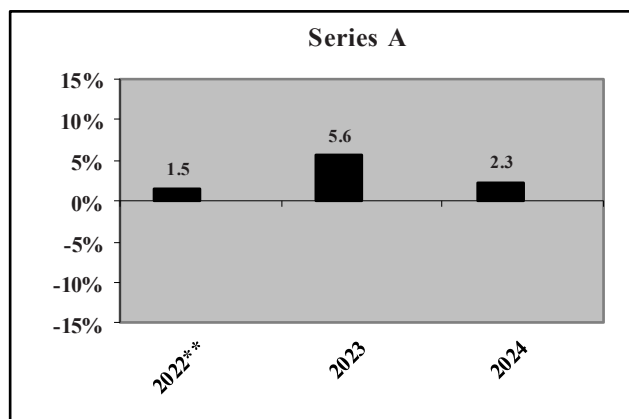


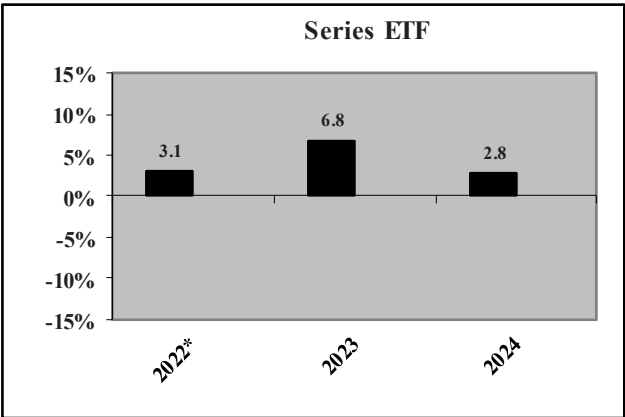
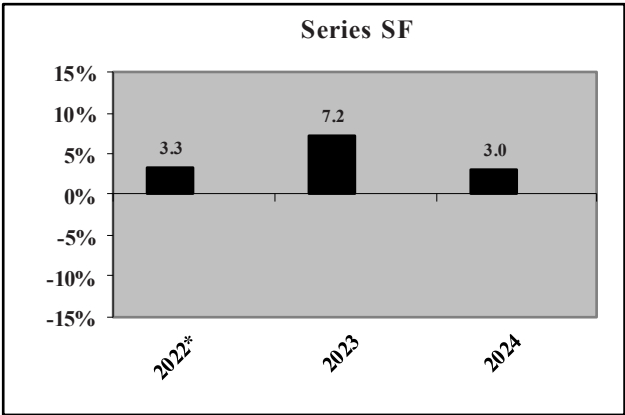
Past Performance

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 charts indicate 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.





\* Return from June 29, 2022 (launch date) to December 31, 2022 (not annualized) for Series S units, Series SF units and ETF Series units.  
\*\* Return from August 2, 2022 (launch date) to December 31, 2022 (not annualized) for Series A units and Series F units.  
\*\*\* Return from March 8, 2024 (first issuance) for Series I units to June 30, 2024 (not annualized).

## Summary of Investment Portfolio

As at June 30, 2024

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Short-Term Corporate Bonds	66.7
Commercial Paper	18.3
Treasury Bills	9.3
Asset-backed securities	4.6
<b>Total Long Positions</b>	<b>98.9</b>
Cash	0.7
Other Net Assets	0.4
Swap Contracts*	0.0
<b>Total Net Asset Value</b>	<b>100.0</b>

\* Positions in swap contracts are disclosed as the gain (loss) that would have been realized if the contracts were closed out on June 30, 2024.

### All Long Positions excluding Swap Contracts

Issuer	% of Net Asset Value
Government of Canada, 4.770%, Jul 18, 2024	9.2
The Toronto-Dominion Bank, Callable, 3.224%, Jul 25, 2024	8.5
Enbridge Pipelines Inc., 5.380%, Jul 3, 2024	6.7
Manulife Financial Corporation, Callable, 3.049%, Aug 20, 2024	6.2
Sun Life Financial Inc., Callable, 2.380%, Aug 13, 2024	6.2
Royal Bank of Canada, 2.352%, Jul 2, 2024	6.2
Ontario Power Generation, 4.190%, Jul 10, 2024	6.2
Canadian Imperial Bank of Commerce, 2.350%, Aug 28, 2024	6.2
The Bank of Nova Scotia, 2.490%, Sep 23, 2024	6.2
Federation des caisses Desjardins du Quebec, 2.417%, Oct 4, 2024	6.2
National Bank of Canada, 5.220%, Aug 2, 2024	4.7
Eagle Credit Card Trust, 2.220%, Jul 17, 2024	4.6
Bell Canada, Callable, 3.350%, Mar 12, 2025	4.6
National Bank of Canada, 2.545%, Jul 12, 2024	3.1
Royal Bank of Canada, Callable, 2.740%, Jul 25, 2024	3.1
Volkswagen Credit Canada Inc., 4.980%, Jul 9, 2024	3.1
The Bank of Nova Scotia, 2.160%, Feb 3, 2025	3.1
Canadian Imperial Bank of Commerce, 5.088%, Mar 27, 2025	1.9
Canadian Tire Corporation, 5.300%, Sep 17, 2024	1.5
Volkswagen Credit Canada Inc., 4.990%, Jul 10, 2024	0.8
Cash	0.7
National Bank of Canada, 2.580%, Feb 3, 2025	0.6
<b>All long positions excluding swap contracts as a percentage of Net Asset Value</b>	<b>99.6</b>

### All Swap Contracts\*\*

Issuer	% of Net Asset Value
RBC US Equity 85% Put Write Index, Jan 10, 2025	34.1
RBC EU Equity 80% Put Write Index, Jan 10, 2025	7.8
RBC CA Equity 85% Put Write Index, Jan 10, 2025	3.1
RBC EU Equity 85% Put Write Index, Jan 10, 2025	1.6

\*\* Positions in swap contracts are disclosed in terms of their notional exposure. All swap contracts are speculative in nature

The Fund 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).

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## Corporate Information

### Corporate Address

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Call our mutual fund information line for daily closing prices:  
416.362.7172 or 1.888.362.7172

### Auditors

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