



Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2025

This annual management report of fund performance contains financial highlights but does not contain either the interim or annual financial statements of the investment fund. You can obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-362-7172, 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 or by visiting our website at www.ninepoint.com or SEDAR+ at www.sedarplus.ca.

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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December 31, 2025

(in U.S. Dollars)

Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Ninepoint Crypto and AI Leaders ETF (the “Fund”) is to seek to provide securityholders 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, AI-powered solutions, and the digital asset-enabled internet driven by crypto innovations and related technologies to transform their business and gain a competitive advantage in their respective markets and industries. The Fund also indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency exchange-traded funds (“ETFs”).

As part of its investment strategy, the Fund may:

- hold cash, short-term money market instruments, fixed income securities or other equivalents at any time, including, in accordance with National Instrument 81-102 (“NI 81-102”), other investment funds managed by Ninepoint Partners LP (the “Manager”) that invest all or substantially all of their assets in cash or cash equivalents, for cash management purposes;
- invest in equity and equity-related securities of small, medium and large capitalization companies at the Manager’s discretion;
- invest in private companies and other illiquid assets as permitted under NI 81-102;
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities; and
- hold Canadian cryptocurrency ETFs and U.S. cryptocurrency ETFs, provided that not more than 30% of the Fund’s assets will be invested in securities of Canadian and U.S. cryptocurrency ETFs and that such U.S. cryptocurrency ETFs must be Underlying U.S. ETFs which are subject to terms of the regulatory relief and, investments by the Fund in such ETFs will be limited to not more than 10% of Fund’s net asset value.

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 11.9% in 2025, while its blended index returned 15.0%. The ETF Series (USD) units and ETF Series (CAD) units trade on the Toronto Stock Exchange under the symbols “TKN.U” and “TKN”, respectively.

In 2025, the crypto and AI ecosystems were defined by elevated volatility, yet demonstrated resilience supported by sound fundamentals, strong technological innovation, and increasingly constructive government support. The Nasdaq Composite returned +20.4% over the year, while the two sectoral bellwethers delivered divergent outcomes: NVIDIA rose by 38.9%, whereas Bitcoin declined by 6.5%. Coming off a decisively strong 2024, both sectors entered 2025 with unprecedented momentum and elevated investor expectations, particularly in the aftermath of President Trump’s election victory. Despite these supportive conditions, 2025 was punctuated by a few sharp sentiment shocks that repeatedly interrupted the rally and triggered rapid, fear-driven sell-offs. Three episodes in particular stood out: the surprise emergence of Chinese AI startup DeepSeek AI early in the year, Trump’s Liberation Day of reciprocal tariffs in April 2025, and the OpenAI-driven de-risking period in November 2025. In each case, confidence deteriorated quickly, volatility spiked, and markets corrected sharply. In the Manager’s view, 2025 reinforced a simple truth: in emerging technologies, conviction grounded in fundamentals ultimately outperforms emotion-driven investing. It is on this basis that the Fund was able to weather the storm and deliver a strong positive return, even in a year when cryptoasset prices posted negative returns and were meaningfully lower.

This year was crypto’s strongest year yet, not due to price but due to progress. The U.S. Securities and Exchange Commission (“SEC”) launched Project Crypto to bring capital markets onchain, the GENIUS Act established comprehensive stablecoin legislation, major asset managers debuted tokenized funds, and legacy traditional exchanges filed to enable tokenized stock trading. Stablecoins demonstrated the value of putting real-world assets like dollars onto crypto rails. The number of Digital Asset Treasuries (“DAT”)s grew from just a handful in 2024 to nearly 250, raising over \$20 billion from investors with announced plan of exceeding \$100 billion. DATs now collectively own 3.5% of Bitcoin, 4.2% of Ethereum, and 2.5% of Solana supply. There were several high-profile crypto IPOs from Circle, Bullish, Gemini, and Figure, each attracting considerable initial investor demand. Crypto investment products experienced almost \$50 billion in net inflows in 2025, bringing total AUM to \$230 billion. The SEC approved generic listing standards for spot crypto ETFs which may usher in a wave of altcoin-focused ETFs that will come to market throughout 2026.

Ninepoint Crypto and AI Leaders ETF

(formerly, *Ninepoint Web3 Innovators Fund*)

December 31, 2025

Prediction markets reached escape velocity, with trading volumes surging to nearly \$20 billion in 2025, up from \$11 billion in 2024 and just \$500 million in 2023. This explosive growth drew the attention of New York Stock Exchange-owner Intercontinental Exchange, which invested \$2 billion in Polymarket, the world's largest prediction market. To be sure, prices of leading cryptoassets finished the year lower, with Bitcoin (-6.6%), Ethereum (-11.1%), and Solana (-36.1%). However, those year-end figures obscure the path taken to get there. As of early October 2025, Bitcoin was up 31.3% year-to-date, Ethereum had gained 35.4%, and Solana was higher by 20.1%. That momentum was abruptly interrupted on October 10, 2025, when the crypto market experienced the largest single-day deleveraging event in its history, triggering nearly \$20 billion in liquidations. While this reset was ultimately constructive from a structural standpoint, it left the market fragile and exposed just as a broader technology sell-off unfolded in November 2025, compounding the drawdown. Importantly, while prices retraced sharply into year-end, the underlying progress mentioned above over the course of 2025 remained substantial. In that context, the year stands out not as a failed rally, but as a period of meaningful maturation for the crypto ecosystem.

On the AI front, the investment cycle continued to assert itself throughout 2025 and remained a material contributor to broader market performance. Leadership was anchored by semiconductors, hyperscalers, and critical infrastructure providers, as enterprise adoption accelerated and capital expenditure commitments remained robust. That said, a persistent headwind emerged as the year progressed, intensifying into year-end: growing skepticism around valuation, spending discipline, and monetization plans. Some market commentators repeatedly drew comparisons to the dot-com bubble, citing the scale of AI-related capex, rising balance-sheet leverage, and uncertainty around when and how returns on investment would materialize. These concerns are not unfounded. Every technological inflection point produces both winners and losers, and capital is rarely allocated perfectly in the early innings. Importantly, however, the market has begun to differentiate. While some AI-exposed companies appear overextended, others have grown increasingly attractive on a valuation basis as revenues, margins, and cash flows have scaled faster than lofty expectations. The takeaway is not that AI fundamentals are weakening, but that the market is transitioning from indiscriminate enthusiasm to more discerning, fundamentals-driven allocation. A clear example of this shift emerged into year-end through the divergence within the AI ecosystem itself: after trading largely in lockstep for much of the year, companies closely associated with Alphabet Inc. meaningfully outperformed, while OpenAI-related names experienced sharp drawdowns. This split appears to reflect rising investor scrutiny encompassing the concerns mentioned above. In other words, the AI trade is no longer one where spending alone is rewarded. Investors are increasingly demanding evidence of operating leverage, durable economics, and a credible path to returns. This evolution marks a healthy maturation of the cycle rather than its end. Finally, while crypto and AI are often viewed as separate technologies, we view them as increasingly complementary. A clear expression of this convergence is the evolution of Bitcoin miners into hybrid compute operators. With long-term access to power, land, and dense infrastructure, many have become natural partners for hyperscalers addressing surging data-center demand, repurposing facilities into high-performance compute hubs and diversifying revenue streams. At the same time, the rise of AI agents has underscored crypto's role as essential financial infrastructure. These autonomous systems cannot interact with traditional banking rails, but can transact natively over crypto networks, the only truly internet-native financial layer. Together, this convergence reinforces the long-term case for owning exposure across both ecosystems.

Reflecting these themes, the Fund's two largest positive contributors in 2025 were Robinhood Markets, Inc. (+605 bps) and Galaxy Digital Inc. (+434 bps). Notably, despite negative performance across many cryptoassets, several pure-play crypto equities, including these holdings, delivered exceptional returns and materially outperformed. This reinforces our long-held view that a comprehensive crypto strategy must include both cryptoassets and crypto-related public equities in order to capture the full breadth of industry growth. In contrast, the Fund's two largest detractors were Block Inc. (-219 bps) and Circle Internet Group (-198 bps).

Crypto and AI can be viewed as two of the most transformational emerging technologies, each operating within its own long-term secular growth cycle. The Fund is uniquely positioned as an active and diversified strategy that provides investors with a single-ticket solution to access the full scope of growth opportunities across both ecosystems. The Fund's dual-theme approach is a strength, as periods of volatility tend to impact each sector differently. This structure allows the Fund to lean toward areas of relative strength as leadership shifts, while maintaining long-term exposure to both technologies.

The Fund's net asset value decreased by 1.5% during the year, from \$24.5 million as at December 31, 2024 to \$24.1 million as at December 31, 2025. This change was predominantly due to net redemptions of \$0.5 million.

Recent Developments

The Manager actively monitors the positioning of the Fund's portfolio for changes in current market conditions and the economic environment.

NAME CHANGE

Effective January 6, 2025, the Fund was renamed Ninepoint Crypto and AI Leaders ETF. There were no changes to the investment objectives or strategies of the Fund.

Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

December 31, 2025

FUND SERIES

Effective May 22, 2025, the Fund launched four new mutual fund series, Series S, Series SF, Series A and Series F units, with management fees of 1.35%, 0.35%, 1.70% and 0.70%, respectively. Series S and Series SF units are lower management fee versions of Series A and Series F units, available to all investors until the aggregate net asset value for the Fund's Series S units and Series SF units exceeds \$10 million. Each of the new series are available under both Canadian and U.S. Dollar purchase options.

PORTFOLIO MANAGER CHANGE

Effective on October 3, 2025, John Wilson, Jeff Sayer and Colin Watson are the portfolio managers for the Fund.

Ninepoint Crypto and AI Leaders ETF

(formerly, *Ninepoint Web3 Innovators Fund*)

December 31, 2025

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 1.70% for Series A units, 0.70% for ETF Series units and Series F units, 1.35% for Series S units, and 0.35% for Series SF 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 year ended December 31, 2025, the Fund incurred management fees (including taxes) of \$178,987. 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
Series S	26%	74%
Series SF	100%	–
ETF Units	100%	–

Of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$64 during the year ended December 31, 2025 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 may pay some 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 and such waivers or absorptions can be terminated at any time without notice. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). For the year ended December 31, 2025, 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 Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

December 31, 2025

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 years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit¹

ETF Series	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021 ²
	\$	\$	\$	\$	\$
Net assets, beginning of period	16.84	11.16	4.92	13.71	9.55
Increase (decrease) from operations:					
Total revenue	0.04	0.03	0.02	–	0.00
Total expenses	(0.29)	(0.25)	(0.12)	(0.12)	(0.24)
Realized gains (losses)	5.95	3.00	(1.84)	(0.52)	7.76
Unrealized gains (losses)	(4.40)	3.10	8.33	(8.27)	1.75
Total increase (decrease) from operations³	1.30	5.88	6.39	(8.91)	9.27
Distributions:					
From capital gains	(1.22)	–	–	–	–
Total annual distributions⁴	(1.22)	–	–	–	–
Net assets, end of period	18.84	16.84	11.16	4.92	13.71

Series S	Dec 31, 2025 ⁵
	\$
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.18)
Realized gains (losses)	2.43
Unrealized gains (losses)	(2.82)
Total increase (decrease) from operations³	(0.55)
Distributions:	
From capital gains	(0.23)
Total annual distributions⁴	(0.23)
Net assets, end of period	11.16

Series SF	Dec 31, 2025 ⁵
	\$
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.02
Total expenses	(0.10)
Realized gains (losses)	2.69
Unrealized gains (losses)	(3.10)
Total increase (decrease) from operations³	(0.49)
Distributions:	
From capital gains	(0.28)
Total annual distributions⁴	(0.28)
Net assets, end of period	11.20

Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

December 31, 2025

- 1 This information is derived from the Fund's 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 notional capital gains.
- 5 Information provided is for the period from May 22, 2025 (first issuance) to December 31, 2025 for Series S units and Series SF units.

Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

December 31, 2025

Ratios and Supplemental Data

ETF Series	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Total net asset value (000s) ¹	\$23,431	\$24,479	\$20,239	\$16,040	\$56,214
Number of units outstanding ¹	1,243,866	1,453,866	1,813,866	3,258,866	4,098,866
Management expense ratio ²	1.38%	1.60%	1.29%	1.45%	1.45%
Management expense ratio before waivers or absorptions ²	1.38%	1.60%	1.88%	2.13%	1.58%
Trading expense ratio ³	0.20%	0.12%	0.17%	0.00%	0.00%
Portfolio turnover rate ⁴	110.54%	27.98%	110.68%	21.50%	118.63%
Net asset value per unit ¹	\$18.84	\$16.84	\$11.16	\$4.92	\$13.71
Net asset value per unit (\$CAD) ¹	\$25.86	\$24.21	\$14.79	\$6.66	\$17.34
Closing market price ⁵	\$18.89	\$16.82	\$11.15	\$4.90	\$13.67
Closing market price (\$CAD) ⁵	\$25.85	\$24.20	\$14.77	\$6.65	\$17.27

Series S	Dec 31, 2025
Total net asset value (000s) ¹	\$85
Number of units outstanding ¹	7,636
Management expense ratio ²	2.06%
Management expense ratio before waivers or absorptions ²	2.06%
Trading expense ratio ³	0.20%
Portfolio turnover rate ⁴	110.54%
Net asset value per unit ¹	\$11.16
Net asset value per unit (\$CAD) ¹	\$15.32

Series SF	Dec 31, 2025
Total net asset value (000s) ¹	\$598
Number of units outstanding ¹	53,379
Management expense ratio ²	0.90%
Management expense ratio before waivers or absorptions ²	0.90%
Trading expense ratio ³	0.20%
Portfolio turnover rate ⁴	110.54%
Net asset value per unit ¹	\$11.20
Net asset value per unit (\$CAD) ¹	\$15.37

1 This information is provided as at December 31 for the years 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 securities borrowing expense paid by the Fund in connection with securities sold short, if any.

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 December 31 for the years shown.

Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

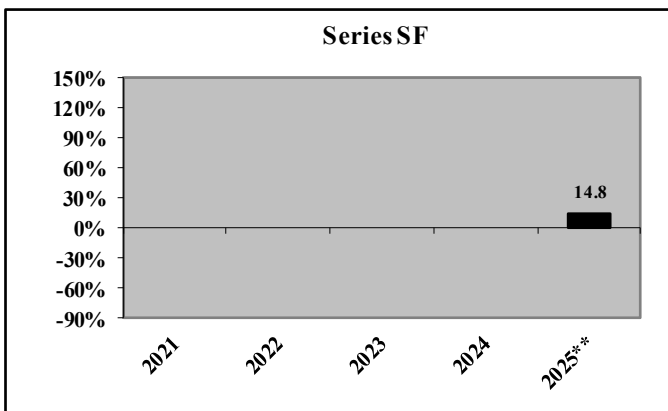
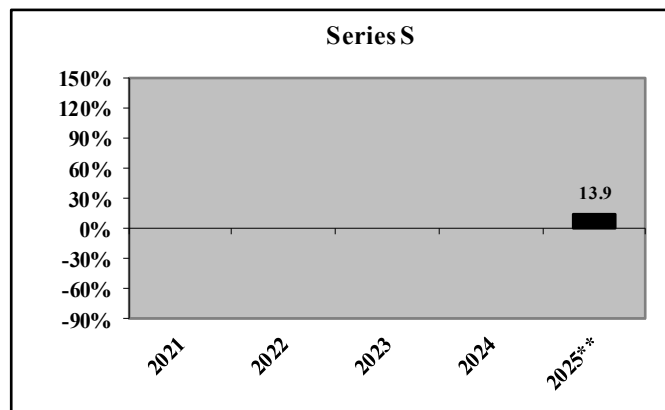
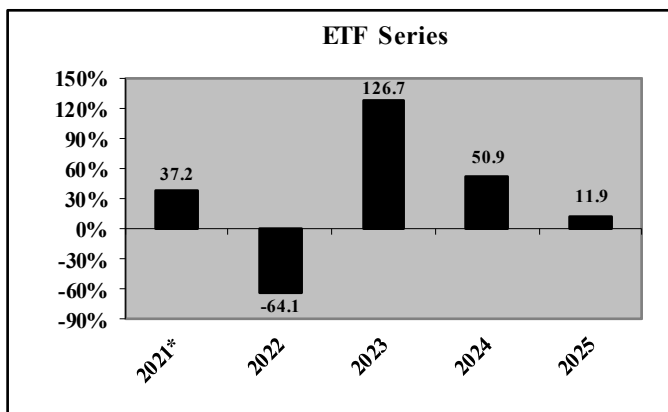
December 31, 2025

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 years ended December 31 shown, unless otherwise indicated. The charts show, 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 no outstanding units as at the end of the period.



* Return from January 27, 2021 (launch date) to December 31, 2021 for ETF Series units (not annualized).

** Return from May 22, 2025 (first issuance) for Series S units and Series SF units, to December 31, 2025 (not annualized).

Ninepoint Crypto and AI Leaders ETF

(formerly, *Ninepoint Web3 Innovators Fund*)

December 31, 2025

Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of its benchmark (the “Blended Index”). The Blended Index is designed to track performance of the digital assets Bitcoin and Ethereum, and includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Blended Index, the performance of the Fund is not expected to equal the performance of the Blended Index.

	1-Year	3-Year	Since Inception*
ETF Series	11.9%	56.4%	13.7%
Blended Index	15.0%	43.4%	21.0%
Series S	–	–	13.9%
Blended Index	–	–	15.1%
Series SF	–	–	14.8%
Blended Index	–	–	15.1%

* Since launch date of January 27, 2021 for ETF Series units, and May 21, 2025 for Series S and Series SF units. Returns for Series A units and Series F units are not shown as there were no units outstanding as at December 31, 2025.

Ninepoint Crypto and AI Leaders ETF

(formerly, Ninepoint Web3 Innovators Fund)

December 31, 2025

Summary of Investment Portfolio

As at December 31, 2025

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Information Technology	30.9
Financials	25.9
Digital Asset Funds	25.3
Communication Services	13.0
Consumer Discretionary	4.4
Total Long Positions	99.5
Cash	0.6
Other Net Liabilities	(0.1)
Total Net Asset Value	100.0

All Long Positions

Issuer	% of Net Asset Value
NVIDIA Corporation	10.1
Fidelity Wise Origin Bitcoin Fund	9.8
Alphabet Inc.	8.7
CI Galaxy Ethereum ETF	7.1
Microsoft Corporation	6.2
Advanced Micro Devices Inc.	5.6
Galaxy Digital Inc.	5.5
CI Galaxy Bitcoin ETF	5.1
Robinhood Markets Inc.	5.0
Coinbase Global Inc.	4.9
Figure Technology Solutions Inc.	4.3
Amazon.com Inc.	4.4
Reddit Inc.	4.3
Nasdaq Inc.	3.3
Purpose Solana ETF	3.3
Palo Alto Networks Inc.	3.1
CME Group Inc.	2.8
Broadcom Inc.	2.5
IREN Limited	1.8
Cipher Mining Inc.	1.7
Cash	0.6
All long positions as a percentage of Net Asset Value	100.1

The Fund held did not hold short positions as at December 31, 2025.

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. The prospectus and other information on the underlying investment funds are available on the Internet at www.sedarplus.ca.

Corporate Information

Corporate Address

Ninepoint Partners LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700, P.O. Box 27
Toronto, Ontario M5J 2J1
T 416.362.7172
TOLL-FREE 1.888.362.7172
F 416.628.2397
E invest@ninepoint.com
For additional information visit our website:
www.ninepoint.com
Call our mutual fund information line for daily closing prices:
416.362.7172 or 1.888.362.7172

Auditors

Ernst & Young LLP
EY Tower
100 Adelaide Street West
Toronto, Ontario M5H 0B3

Legal Counsel

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West, Suite 3400
Toronto, Ontario M5H 4E3

A Note on Forward-Looking Statements

This report may contain certain statements that constitute forward-looking statements. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words or expressions such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “target” or negative versions thereof and other similar expressions or future or conditional verbs such as “may”, “will”, “should”, “would” and “could” and similar expressions to the extent they relate to future financial performance of the Fund or a security, and the Fund’s investment strategies and prospects. The forward-looking statements are not historical facts but reflect the expectations or forecasts of future results or events as at the date of this report. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations including, without limitation, general economic, political and market factors in North America and internationally, movements in interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, and catastrophic events. This list of important risks, uncertainties and assumptions is not exhaustive. These and other factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.
