Ninepoint Carbon Credit ETF

April 2023 Commentary

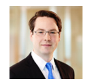
Fund Overview

The Ninepoint Carbon Credit ETF (“**Fund**”) seeks to achieve its investment objectives by primarily investing directly in carbon allowance futures. The Fund currently invests in the major carbon allowance futures globally, namely;

- **European Union Allowance (the “EUA”)**
- **California Carbon Allowance (the “CCA”)**
- **UK Allowance (the “UKA”)**
- **Regional Greenhouse Gas Initiative (the “RGGI”)**

Investment Team

John Wilson, MBA
Co-CEO, Managing Partner, Senior Portfolio Manager



Etienne Bordeleau-Labrecque, MBA, CFA
Vice President, Portfolio Manager

Fund Performance

As of April 30, 2023, the Ninepoint Carbon Credit ETF generated a return of -5.10% (Series F $USD), with a net year-to-date return of -3.22%.

MONTHLY RETURNS (%) OF SERIES F $USD[1] | INCEPTION DATE: February 16, 2022

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	1.49	4.76	-4.08	-5.10									-3.22
2022		-1.68	-3.45	4.72	1.38	1.99	-8.58	5.08	-10.69	8.70	-4.96	0.05	-8.86

Source: Ninepoint Partners

Market Update

Breaking developments from late April: First Republic Bank became the second biggest bank failure in the US history on May 1st, after the bank revealed in its earnings report of April 24th that it had experienced deposit withdrawals of more than $100 billion in the wake of the SVB collapse in March, which made the continuation of the California-based institution untenable. It was consequently taken over by the FDIC after shares of the bank had lost 97% at market close on April 28th, and its assets were sold to JP Morgan Chase. The beginning of 2023 has certainly been eventful for the US banking sector, with three of the largest FDIC failures of the century occurring within the span of a few weeks.

Fears of a potential recession later this year were bolstered by U.S. GDP growing at just a 1.1% annualized pace in the first quarter, as well as very gradual hints of slowing in the tight labor market. However, within equity alternatives, commodities experienced a positive month as industrial metals (notably copper) reached new highs driven by both supply shortages and structural demand for technology and alternative energy manufacturers.

The end of the month concluded with the S&P 500 up 1.56% (9.16% YTD), the Bloomberg Commodity Index down -1.13% (-8.21% YTD), Brent Oil down -0.44% (-9.86% YTD), and Gold up 0.14% (11.93% YTD).

Financial markets were increasingly concerned about the debt limit and the lack of meaningful progress in extending it. On the other hand, the majority of 2023 global growth is predicted to come from Asia, with China’s economic growth expected to be at around 6%, as a result of the complete abandonment of pandemic control policies which prompted nationwide mobility and robust economic activity.

Portfolio Update

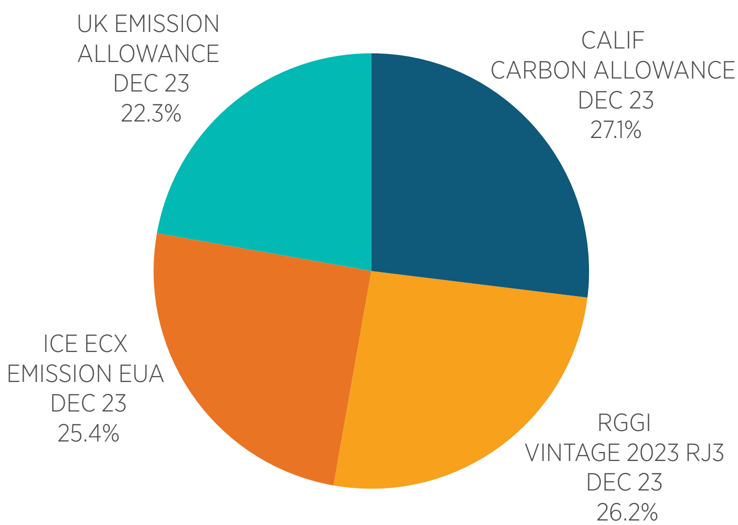
In the carbon market, the month of April was quite gloomy, especially across the pond. The European Union Allowance (**EUA**) Dec-23 contract was down -5%. The market seems isolated from political and regulatory risks now that market reforms and REPowerEU packages have been approved, which are also expected to bring additional supply to the market by front loading auction sales slated for later years to fund the pivot away from Russian fossil fuels. That said, the market continued to trade lower through the month of April as buying support from emitters dropped-off ahead of the April 30 compliance deadline and since overall demand in the European Union dropped in 2022 after factories curbed production as a result of soaring costs due to the energy crisis. The UK Allowance (**UKA**) Dec-23 contract also declined by -17.17%. The market seems to be currently flooded with excess supply amid annual verified emissions that are regularly below the cap, with no mechanism in place to deal with this other than the government withholding free allocations and limiting auction volumes.

In North America, the ICE California Carbon Allowance (**CCA**) Carbon Futures Index gained 3.25% this month. The slow but steady move higher over the past weeks was in part driven by a continued supportive macro environment, increases in both compliance buying and investor interest, as well as continued strength for Washington Carbon Allowance. The ICE Regional Greenhouse Gas Initiative (**RGGI**) Carbon Futures Index posted a loss of 1.27% this month, despite the Program Review taking place at the end of March. The market is likely to remain range bound in the near-term as we enter the spring months and the typical decreased demand for power generation.

Portfolio Recap

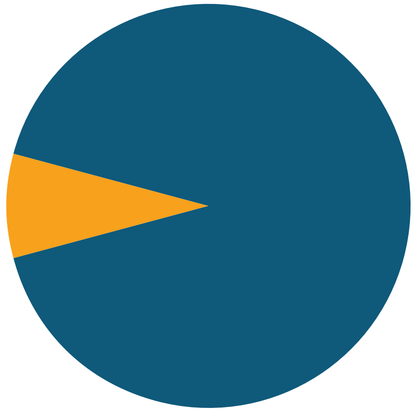
The fund has had a challenging start to the year, posting a net loss of 3.22% year-to-date. The best performer in April was the CCA market, contributing approximately +0.79% to the total return, the top distractor was the UKA contract, contributing approximately -4.31% to the total return.

Sector Allocation Notional[2]



Source: Ninepoint Partners

Collateral and Currency Management[2]



Source: Ninepoint Partners

Why Invest in the Ninepoint Carbon Credit ETF?

For an emerging asset class like carbon credit, diversification is at the heart of our fund strategy. At the moment, the **Ninepoint Carbon Credit ETF** invests equally in the four major ETS markets globally with a minimum quarterly rebalancing. Having a diverse market exposure has demonstrated its benefits in serving investors well. Below are five key reasons for investors to consider Ninepoint Carbon Credit ETF:

Risk Mitigation – Balanced exposure to all carbon credit markets can help minimize single jurisdiction risk by eliminating over-concentration to any single market, as recent market action has demonstrated. Having a diversified underlying market portfolio is important for an emerging asset class with volatile price patterns, like carbon credits.

Diversification – Carbon Credit investments demonstrate low or negative correlation to traditional asset classes.

Global Exposure – The fund provides investors with access to a US$851 billion global carbon credit market which has grown by 18x since 2017[1]. Compared to volume-weighted fund or funds that invest in one single market, we believe that our equal-weighted fund strategy has a better value proposition, over the long-term, given its overweight to the under-represented and rapidly growing carbon credit trading markets.

Core Value - As a Canadian fund, by overweighting the North American market relative to its total index weight, we are aligning our strategy with our values and our local community.

Easy Access - The fund is structured as an alternative mutual fund offering on Fundserv as well as an ETF series on the Cboe Canada Exchange (Cboe:CBON / CBON.U).

Product Inquiries:

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References

[1]Refinitiv, "Carbon Market Year in Review 2021". Global carbon markets value surged to a record $851 billion last year-Refinitiv (Reuters - January, 2022).

NINEPOINT CARBON CREDIT ETF - COMPOUNDED RETURNS[1] AS OF April 30, 2023 (SERIES F $USD NPP948) | INCEPTION DATE: FEBRUARY 16, 2022

1MTH	YTD	3 MTH	6 MTH	1 YR	INCEPTION
-5.1%	-3.2%	-4.6%	-7.9%	-11.3%	-10.0%

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[1]All returns and fund details are a) based on Series F $USD units; b) net of fees; c) annualized if period is greater than one year; d) as at April 30, 2023.

[2]Sector allocation as at April 30, 2023. Sector allocation based on % of net asset value. Numbers may not add up due to rounding. Cash and cash equivalents include non-portfolio assets and/or liabilities.

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