



Ninepoint Silver Bullion Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2022

The annual 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 annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at www.ninepoint.com or SEDAR at www.sedar.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.

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Ninepoint Silver Bullion Fund (the “Fund”) is to provide a secure, convenient alternative for investors seeking to hold silver.

As part of its investment strategy, the Fund:

- invests primarily in unencumbered, fully allocated silver bullion and silver certificates;
- may invest a portion of its assets in cash, money market instruments and/or treasury bills; and
- may invest in derivatives, such as currency forward contracts, for hedging purposes only.

Sprott Asset Management LP is the subadvisor for the Fund.

Risk

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for those investors who want exposure to the capital appreciation potential of silver and who want to maintain a high level of liquidity in their investments with a high tolerance for risk and volatility and have a medium to long-term investment horizon. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period.

Results of Operations

The Fund, Series A, returned 7.8% in 2022, versus spot silver, which increased by 10.0% in Canadian dollar terms. In U.S. dollar terms, spot silver increased by 2.8%. The spot price of silver was \$23.95 an ounce (in U.S. dollar terms) as at December 31, 2022 compared to a price of \$23.30 an ounce as at December 31, 2021.

The year was one of the worst years on record for the traditional balanced portfolio which features equities and fixed income. This was because both equities and fixed income posted negative returns. Inflation continued to persist despite strong actions by central banks around the world.

Silver took a cue from gold’s relative stability and posted a strong second half and managed to end the year in the positive territory. The SLV ETF (a proxy for silver) ended the year up 2.37%.

Indian demand for silver continued to gather momentum through 2022. While final figures are not yet available, Indian silver demand for 2022 is expected to be nearly 8000 short tons, up from 4500 short tons in 2021. Offsetting this, Silver bullion ETFs continued to suffer from redemptions as investors in the Western world sought to exchange their silver ETFs holdings for cash. Industrial demand for silver continued to be well supported thanks to strong demand for photovoltaics. According to the Silver Institute, silver remained in a small deficit in 2022 as demand outstripped supply from mines and recycling.

The Fund was fully invested in silver bullion during the period.

The Fund’s total net asset value increased by 9.4% during the year, from \$82.9 million as at December 31, 2021 to \$90.7 million as at December 31, 2022. This change was predominantly due to net realized and unrealized gains of \$7.9 million, net expenses of \$1.3 million, and net subscriptions of \$1.2 million.

Recent Developments

There were no material changes to the investment strategy and features of the Fund during the year ended December 31, 2022. The Manager actively monitors the positioning of the Fund’s portfolio for changes in current market conditions and the economic environment.

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Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 1.30% for Series A units, 0.85% for Series D and Series F units and as negotiated by the unitholders of Series I. The management fee is calculated and accrued daily based on the daily net asset value of the applicable series of the Fund and is paid monthly. For the year ended December 31, 2022, the Fund incurred management fees of \$945,673 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commission
Ninepoint Silver Bullion Fund – Series A	65%	35%
Ninepoint Silver Bullion Fund – Series D	100%	—
Ninepoint Silver Bullion Fund – Series F	100%	—

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$18,239 during the year ended December 31, 2022 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, trustee, 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 certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions are at the Manager's discretion and can be terminated at any time without notice. The Manager did not absorb any expenses during the year ended December 31, 2022.

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.

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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

	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	6.14	7.12	5.02	4.73	4.88
Increase (decrease) from operations:					
Total revenue	—	—	—	—	—
Total expenses	(0.11)	(0.12)	(0.11)	(0.11)	(0.11)
Realized gains (losses) for the period	0.01	0.02	0.01	(0.34)	(0.80)
Unrealized gains (losses) for the period	0.57	(0.88)	2.15	0.73	0.73
Total increase (decrease) from operations²	0.47	(0.98)	2.05	0.28	(0.18)
Distributions:					
Total annual distributions³	—	—	—	—	—
Net assets, end of period	6.62	6.14	7.12	5.02	4.73

	Dec 31, 2022 ⁴
Series D	\$
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	—
Total expenses	(0.11)
Realized gains (losses) for the period	0.01
Unrealized gains (losses) for the period	0.52
Total increase (decrease) from operations²	0.42
Distributions:	
Total annual distribution³	—
Net assets, end of period	10.32

	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	6.46	7.46	5.24	4.91	5.04
Increase (decrease) from operations:					
Total revenue	—	—	—	—	—
Total expenses	(0.09)	(0.09)	(0.09)	(0.10)	(0.09)
Realized gains (losses) for the period	0.01	0.02	0.01	(0.26)	(0.83)
Unrealized gains (losses) for the period	0.62	(0.92)	2.53	0.96	0.82
Total increase (decrease) from operations²	0.54	(0.99)	2.45	0.60	(0.10)
Distributions:					
Total annual distribution³	—	—	—	—	—
Net assets, end of period	7.00	6.46	7.46	5.24	4.91

1 This information is derived from the Fund's 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 assets 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 beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund.

4 Information provided is for the period from February 25, 2022 (first issuance) to December 31, 2022 for Series D.

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Ratios and Supplemental Data

Series A	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$40,528	\$44,329	\$46,305	\$30,859	\$34,822
Number of units outstanding ¹	6,122,136	7,218,645	6,503,174	6,141,774	7,357,144
Management expense ratio ²	1.92%	1.78%	1.88%	2.38%	2.34%
Trading expense ratio ³	—	—	—	—	—
Portfolio turnover rate ⁴	4.46%	3.76%	5.23%	17.04%	—
Net asset value per unit ¹	\$6.62	\$6.14	\$7.12	\$5.02	\$4.73

Series D	Dec 31, 2022
Total net asset value (000s) ¹	\$6,247
Number of units outstanding ¹	605,475
Management expense ratio ²	1.48%
Trading expense ratio ³	—
Portfolio turnover rate ⁴	4.46%
Net asset value per unit ¹	\$10.32

Series F	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$43,909	\$38,526	\$41,175	\$19,764	\$8,687
Number of units outstanding ¹	6,271,815	5,961,022	5,520,938	3,773,641	1,769,358
Management expense ratio ²	1.45%	1.29%	1.37%	1.90%	1.84%
Trading expense ratio ³	—	—	—	—	—
Portfolio turnover rate ⁴	4.46%	3.76%	5.23%	17.04%	—
Net asset value per unit ¹	\$7.00	\$6.46	\$7.46	\$5.24	\$4.91

1 The 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 the 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 represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Since there are no direct trading costs associated with physical bullion trades, the trading expense ratio is nil.

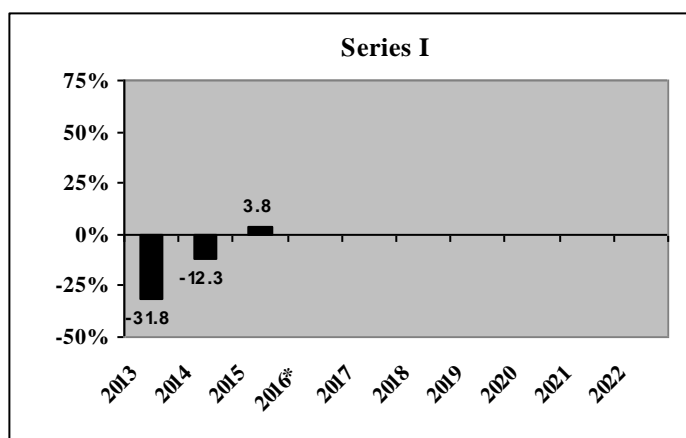
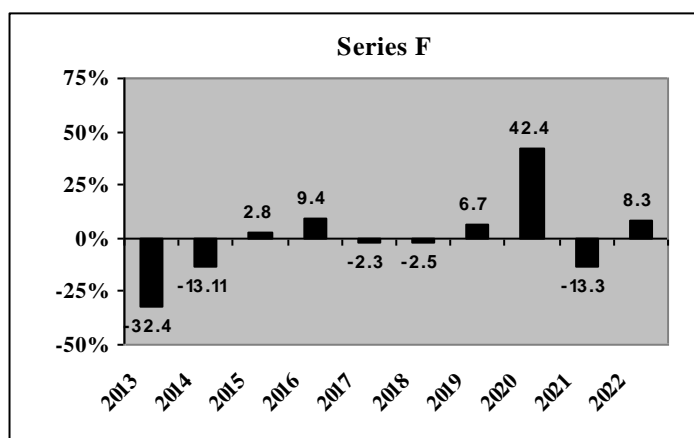
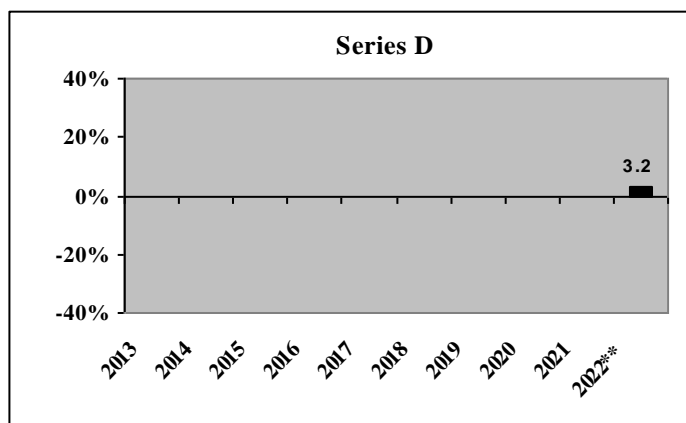
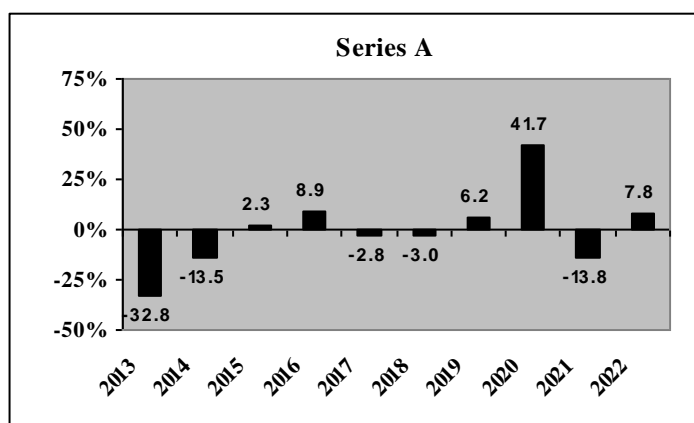
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio 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 year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover is expressed as a non-annualized percentage.

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 returns are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the 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.



* Series I units were fully redeemed during the year-ended December 31, 2016

** Return from February 25, 2022 (first issuance) to December 31, 2022 for Series D (not annualized).

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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 the return on spot silver. Since the Fund has expenses related to its silver holdings, the performance of the Fund is not expected to equal the performance of spot silver.

	1-Year	3-Year	5-Year	10-Year	Since Inception*
Ninepoint Silver Bullion Fund – Series A	7.8%	9.6%	6.3%	-1.6%	-3.5%
Spot Silver Return (CAD)	10.0%	11.9%	8.8%	0.7%	-1.0%
Ninepoint Gold Bullion Fund – Series D	–	–	–	–	3.2%
Spot Gold Return (CAD)	–	–	–	–	4.6%
Ninepoint Silver Bullion Fund – Series F	8.3%	10.2%	6.8%	-1.1%	-3.0%
Spot Silver Return (CAD)	10.0%	11.9%	8.8%	0.7%	-1.0%

* Since launch date of March 10, 2011 for Series A and Series F, and February 25, 2022 for Series D. Returns for Series I are not shown as there were no units outstanding as at December 31, 2022.

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Summary of Investment Portfolio

As at December 31, 2022

All Positions

	% of Net Asset Value
Silver Bullion	99.7
Cash	0.3
Other Net Assets	0.0
Total Net Asset Value	100.0

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.

Corporate Information

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