



Ninepoint Fixed Income Strategy

February 24, 2022 Market Update

As we all know, it has been a tough start to the year for the markets. Equities are down (SPX down ~9% YTD), credit spreads are wider (HYG down ~5% YTD) and interest rates are up (XBB and ZAG are down about 5% as well YTD).

Unlike last year when interest rates drifted higher and credit spreads were relatively stable, both have been moving higher and wider. It's been a perfect storm with nowhere to hide, but we've been there before.

Although we're holding our own relative to others, our funds are now down between 2.5% and 3% YTD. To be clear this is all mark-to-market, we don't have any impairments or holdings we're stressed about.

Given the current scenario, we thought we'd give a bit of perspective on how credit markets perform in down markets and how they tend to mean revert. We've used the Credit Income Opportunities to exhibit this, as we have a long history of performance through many market cycles.

The chart below shows the cumulative peak to through drawdowns the fund has experienced over the years (since 2013).

The grey line shows the credit spread for Canadian corporates (Bloomberg Barclays Canada Corporate Index) and the blue line cumulative drawdowns. It should be no surprise, when credit spreads go up (widen), the fund experiences drawdowns. The two lines are like mirror images of each other. That's normal, that's the reality of marking securities to market every day.



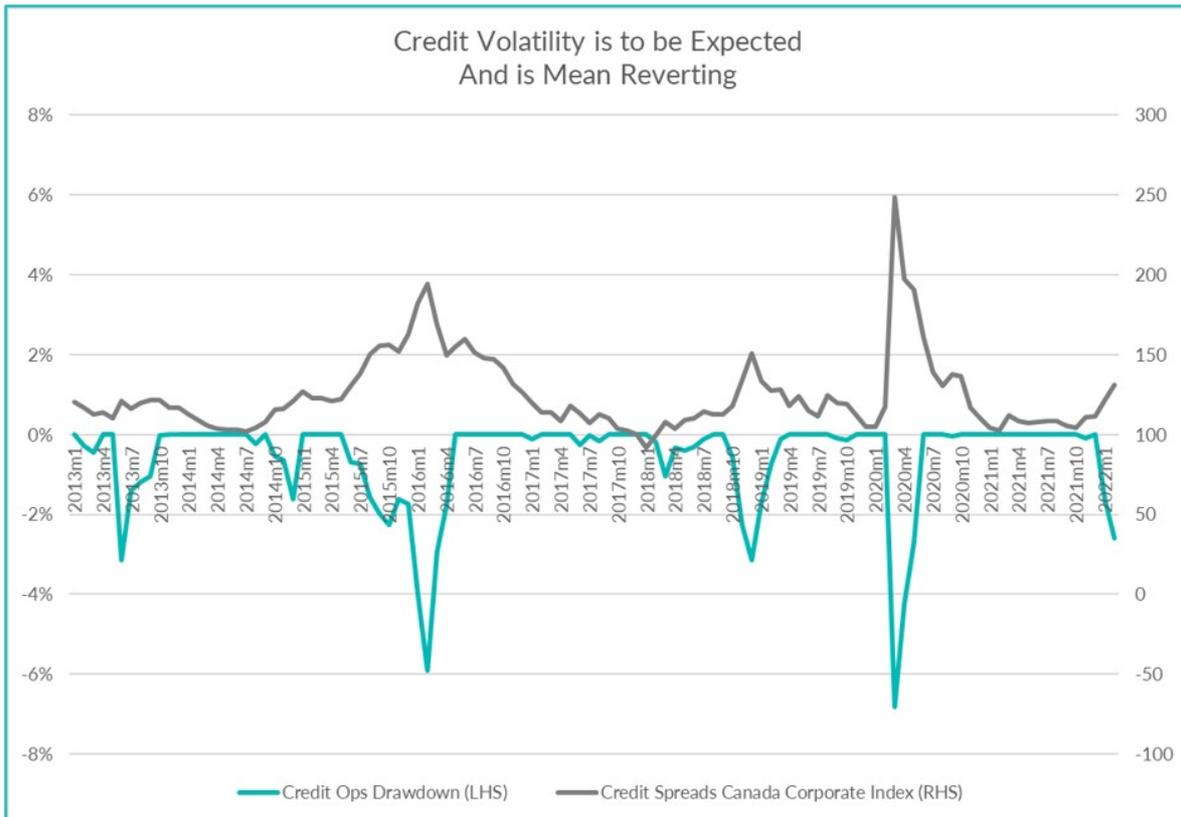
Mark Wisniewski,
Partner, Senior Portfolio
Manager



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



Nick Warwick, MBA, CFA
Associate Portfolio Manager



Source: Bloomberg

But what happens once we reach the point where credit spreads stop widening? Recall the Credit Opportunities, Series A was down -6.8% in March 2020. We've shown in the table below the cumulative returns of the Credit Income Opportunities, 12 months' post max drawdown, after the widening in credit spreads subsides. All have been great entry points for investors.

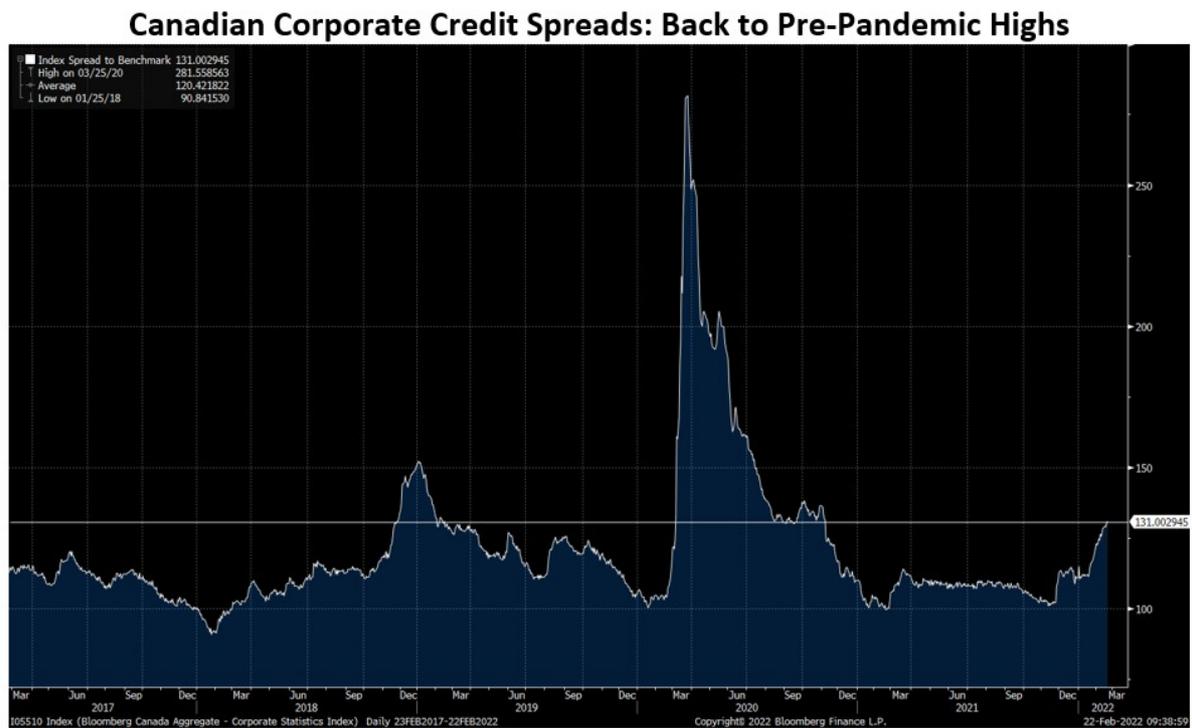
Remember this is fixed income, not equities, where bond prices, over time, return to par, \$100.

Peak Drawdown Date	Cumulative Drawdown	Following 12 months performance
2013m6	-3.2%	11.4%
2016m2	-5.9%	15.6%
2018m12	-3.1%	6.0%
2020m3	-6.8%	24.6%

Of course we can't predict, nor would we imply with certainty whether or not we have reached the end of this stress in credit, but as you've seen in the past, this is what one should expect once the volatility in credit ends. And even if we aren't done, without a recession, which we don't expect, investment grade credit spreads are fairly well discounted, they are now back to where they were in 2019 pre-pandemic and much wider than 2021 (Chart Below).

That's nicely increased the yield on all our fixed income offerings: >3%, 6%, 7% (DBF, Alt, Ops, respectively). And as we've stressed there is very limited duration risk in these funds,

which in our mind is the biggest risk for fixed income this year.



Source: Bloomberg

So yes credit spreads are wider and rates are higher and that dragged on performance, but it's great for new orders and it also works for existing holders, as we deploy cash and re-position the portfolio, just as we've done in the past.

Until next month,

The Bond Team: Mark, Etienne and Nick

Ninepoint Partners

Fund Name	Fund Code
Ninepoint Diversified Bond Fund	
Series A	NPP018
Series ETF	NBND
Series F	NPP118
Ninepoint Credit Opportunities Fund	
Series B	NPP509
Series F	NPP507
Ninepoint Alternative Credit Opportunities Fund	
Series A	NPP930
Series ETF	NACO
Series F	NPP931

NINEPOINT DIVERSIFIED BOND FUND - COMPOUNDED RETURNS¹ AS OF JUNE 30, 2023 (SERIES F NPP118) | INCEPTION DATE: AUGUST 5, 2010

	1M	YTD	3M	6M	1YR	3YR	5YR	10YR	INCEPTION
Fund	0.1%	1.8%	0.0%	1.8%	0.6%	-2.1%	0.4%	2.4%	3.0%

NINEPOINT CREDIT INCOME OPPORTUNITIES FUND - COMPOUNDED RETURNS¹ AS OF JUNE 30, 2023 (SERIES F NPP507) | INCEPTION DATE: JULY 1, 2015

	1M	YTD	3M	6M	3YR	5YR	INCEPTION
Fund	0.5%	3.3%	1.4%	3.3%	4.3%	3.8%	4.2%

NINEPOINT ALTERNATIVE CREDIT OPPORTUNITIES FUND - COMPOUNDED RETURNS¹ AS OF JUNE 30, 2023 (SERIES F NPP931) | INCEPTION DATE: APRIL 30, 2021

	1M	YTD	3M	6M	1YR	INCEPTION
Fund	0.6%	3.2%	1.5%	3.2%	2.0%	-2.4%

¹ All Ninepoint Diversified Bond Fund returns and fund details are a) based on Series F units; b) net of fees; c) annualized if period is greater than one year; d) as at February 24, 2022 ¹ All Ninepoint Credit Income Opportunities Fund returns and fund details are a) based on Class F units; b) net of fees; c) annualized if period is greater than one year; d) as at February 24, 2022.

The Risks associated with investing in a Fund depend on the securities and assets in which the Funds invests, based upon the Fund's particular objectives. There is no assurance that any Fund will achieve its investment objective, and its net asset value, yield and investment return will fluctuate from time to time with market conditions. There is no guarantee that the full amount of your original investment in a Fund will be returned to you. The Funds are not insured by the Canada Deposit Insurance Corporation or any other government deposit insurer. Please read a Fund's prospectus or offering memorandum before investing.

Ninepoint Credit Income Opportunities Fund is offered on a private placement basis pursuant to an offering memorandum and are only available to investors who meet certain eligibility or minimum purchase amount requirements under applicable securities legislation. The offering memorandum contains important information about the Funds, including their investment objective and strategies,

purchase options, applicable management fees, performance fees, other charges and expenses, and should be read carefully before investing in the Funds. Performance data represents past performance of the Fund and is not indicative of future performance. Data based on performance history of less than five years may not give prospective investors enough information to base investment decisions on. Please contact your own personal advisor on your particular circumstance. This communication does not constitute an offer to sell or solicitation to purchase securities of the Fund.

Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), other charges and expenses all may be associated with mutual fund investments. Please read the prospectus carefully before investing. The indicated rate of return for series F units of the Fund for the period ended February 24, 2022 is based on the historical annual compounded total return including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. 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 Fund may be lawfully sold in their jurisdiction.

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 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