Ninepoint Alternative Health Fund

January 2022 Commentary

Summary

The Ninepoint Alternative Health Fund offers investors the opportunity to participate in the growth of the cannabis industry while offering a diversified health and wellness investment strategy including pharmaceuticals, healthcare and wellness companies. Over the last five years, our diversified approach has provided outperformance relative to our underlying benchmarks, offering growth with reduced volatility. In this month's commentary, we highlight the growing TAM (total addressable market) in the US cannabis industry and some of the leading MSO's expanding their operational footprints. US cannabis companies discussed include **AAWH, CCHW, CL, GTI, VRNO**. We also provide an update on top ten portfolio positions in the pharmaceutical, healthcare and wellness space. The noted sectors tend to outperform during more difficult economic periods while we continue to see upside as part of the re-opening trade. Pharma/Healthcare companies featured in our commentary include **AZN, JNJ, PFE, UNH**.

Investment Team

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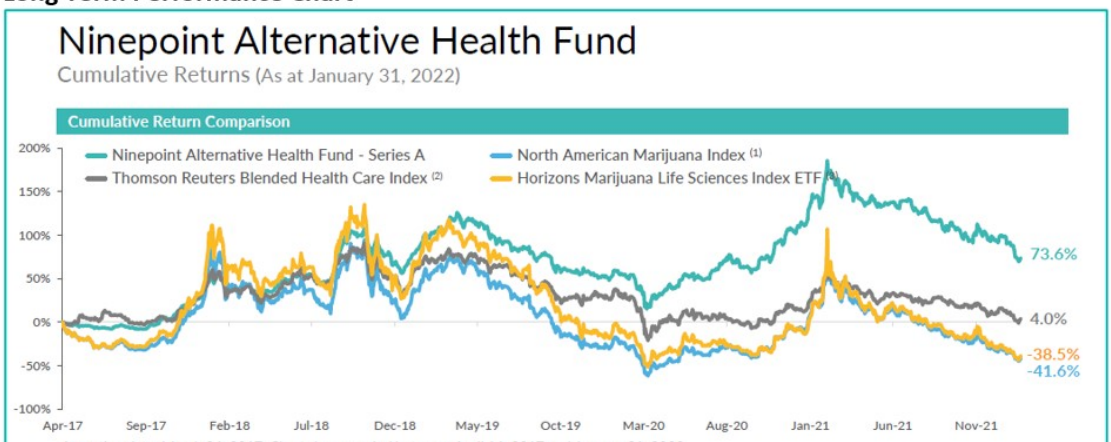
Long Term Performance Chart



Inception date: March 26, 2017. Chart shows period between April 11, 2017 and January 31, 2022

Period between April 11, 2017 and January 31, 2022	Annualized Return	Annualized Std Dev	Downside Deviation	Sharpe Ratio	Sortino Ratio	Max Drawdown
Ninepoint Alternative Health Fund – Series A	12.5%	28.0%	17.1%	0.42	0.73	-39.8%
Thomson Reuters Blended Health Care Index(1)	0.8%	36.5%	23.2%	0.00	0.04	-58.7%
Horizons Marijuana Life Sciences Index ETF	-9.8%	61.2%	35.6%	-0.17	-0.28	-72.0%
North American Marijuana Index(2)	-10.8%	55.6%	34.1%	-0.21	-0.32	-80.3%

Performance and fund statistics are based on daily observations.

Effective April 23, 2018, Ninepoint Partners became the Manager of Ninepoint Alternative Health Fund (formerly UIT Alternative Health Fund)

(1) For illustrative purposes only. North American Marijuana Index is computed by Ninepoint Partners LP based on publicly available index information.
(2) The index is 70% Thomson Reuters Canada Health Care Total Return Index and 30% Thomson Reuters United States Healthcare Total Return Index and is computed by Ninepoint Partners LP based on publicly available index information.
(3) HMMJ (Horizons Marijuana Life Sciences Index ETF) is computed by Ninepoint Partners LP based on publicly available index information.

Introduction

Equity markets started 2022 with a significant sell off as investors faced the prospects of some hard choices from the US Federal Reserve. After more than a decade of easy money, low interest rates and a very accommodative policy stance, Federal Reserve Chair Jerome Powell sparked sell offs as he publicly considered options on how to deal with rising inflationary pressures. Our opinion is the Fed will indeed proceed to raise rates in March and perhaps one more time before spring, but we anticipate the Fed having to eventually come out once again and reduce rate expectations at that point given the degree with which growth will decelerate. That leads to the Fed's focus on its $9 trillion balance sheet. Tapering in of itself is not the issue. The Fed balance sheet will continue to expand, it will expand at a decelerating pace. The issue comes down to how much liquidity and under what time period will liquidity be removed from the economy, the first time such a situation has taken place since 2008.

We need to remind investors that despite short term volatility or weakness in stock prices, the potential for significant appreciation when this period of higher volatility and unease with rate direction has subsided, leading US cannabis companies have a significant tailwind with higher cash flow growth, continued double digit revenue growth, a growing TAM that is has a long runway of opportunity, and on top of that, federal de-regulation. As one US based analyst recently stated, "Cannabis is a state by state growth story with a federal legalization kicker." Those who stay invested shall be rewarded. There is more than enough sales momentum in the legal cannabis industry state by state with significant consumer demand to fuel outsized growth for a multi-year run. And with technology company stock performance fading due to growth concerns, cannabis can offer growth investors a compelling alternative.

Key issues weighing on US cannabis sector valuations are not related to operational success, as can be seen by the strong execution of many of the management teams, growing their national footprints, building scale and reaching operational efficiencies and growing free cash flows. There are two key issues that act as a headwind to cannabis stock performance. The first, lack of progress on legislation at the Federal level is a function of Democrat dysfunction. A second issue that plagues some companies in the sector is that after equity offerings and mergers there is an increase in the supply of stock that continues to leak into the market. With many institutions remaining on the sidelines due to complications at the custodial level and compliance concerns resulting from a lack of federal reforms, the pool of available investors has not grown sufficiently to drive share price appreciation. Current investors must separate their concerns for these short-term headwinds from the opportunity created by the long term tailwinds that are present for the leading multi-state operators.

In a recent research note, Canaccord Genuity pointed out that the US cannabis sector grew top line revenues in 2021 by approximately 30% reaching $24 billion up from $17.5 billion in 2020. The sector is expected to grow by another 20+% in 2022, growing to approximately $29 billion. What is important in the analysis of the leading MSO's is that the leading operators have a 30% to 35% market share of total legal sales and are poised to continue to benefit from new state by state market openings. In 2021, the new Arizona adult use market generated $1.4 billion in sales, up 50% YoY while Illinois grew in its second year of adult use sales by 70% to over $1.75 billion. The medical market continues to grow as well as seen in Florida where medical revenues grew 60% YoY.

Pharmaceuticals, Healthcare and Wellness

We continue to support our cannabis focus with portfolio allocations in healthcare, pharmaceuticals and the overall wellness industries. We continue to see opportunities for growth in these sectors

with strong Q4/21 results and sound guidance for 2022 illustrating some of the tailwinds assisting the companies in our portfolio. It is helpful that these sectors tend to outperform during more difficult economic periods.

The winter months have been dominated by news of the Omicron virus, its spread and the need to be vigilant with wearing masks, vaccination as well as the need to be proactive with your healthcare needs. Patient healthcare isn't a one size fits all approach and as a result we see many opportunities for growth on this side of the portfolio.

As a result of the continued spread of COVID-19, there is global demand for vaccines. We continue to see strength from pharma companies such as **Pfizer (PFE)**, **Johnson & Johnson (JNJ)** and **AstraZenaca (AZN)** as they continue to roll out vaccines, with many countries behind North America in vaccination rates. 2022 guidance from the companies discuss the extent of from signed government supply contracts for delivery of first, second and booster doses, and so we anticipate continued growth in cash flow from that element of their businesses. We also see the growth in vaccination cohorts with regulatory agencies urging companies to expand distribution to younger age groups. That should also lead to continued revenue and cash flow growth.

With respect to the healthcare sector, it is important to see the re-opening strength that many companies possess. If investors are considering re-opening trades in movies, travel or leisure stocks, healthcare names also benefit significantly during this time. Due to pandemic lockdowns and hospital limitations, there has been a reduction over 2 years with respect to elective surgeries and these restrictions have added complications to healthcare procedures that were put on hold, are big money makers for hospitals. And in the medical devices segment of the industry, revenues fell because hospitals had less need to buy the equipment used to perform those surgeries. As a result, with the re-opening of the economy and the re-opening of hospitals, we see increased patient visits and an increase in elective surgeries to catch up for the last 2 years of inactivity.

US Federal Cannabis Regulatory Changes

The delays that occurred with respect to federal legislative reforms in 2021, result in our more focused exposure in those multi-state operators with access to attractively priced growth capital, strong cash flow generation and a track record of solid execution. In our opinion these are the MSOs best suited to continue to consolidate the growing US legal cannabis market and among the leading names in the portfolio.

Democrats and Republicans in Washington and in most US states are increasingly becoming more vocal on cannabis policy as they begin to appreciate the overwhelming popularity of cannabis reform among constituents, given the approaching 2022 midterms. Many organizations and corporations are increasing their pressure on Congress and the White House to pass some form of legislation on cannabis this year.

Already early in 2022 key elements of SAFE Banking have found their way into the America COMPETES Act, a bill that contains provisions to boost U.S. manufacturing of semiconductors as well as to boost American competitiveness relative to China, including a $52 billion cash infusion into several industry groups. With respect to cannabis, Congressman Ed Perlmutter, D., Colo, the primary sponsor of SAFE, who is retiring at the end of this term and a leading congressional cannabis supporter in the House, has vowed to insert cannabis legislation into every Bill before Congress this year until it is approved. The Secure and Fair Enforcement (SAFE) Banking Act currently has 180 co-sponsors, yet Democrat infighting prevents its passage as progressives push for more broad based

social equity reforms. Republicans on the other hand now have the upper hand as polling shows a weakened Democratic party preparing for a worst case scenario in November mid-term elections where they can lose control of the House and possibly the Senate as well.

A more positive interpretation this time around can be seen in the support of SAFE Banking by House Speaker Nancy Pelosi. This is the first time that a leader in the Democratic Party has come out supporting SAFE, and we believe that given the upcoming mid-terms and weak polling is forcing Pelosi and other Dem's to jump on the SAFE bandwagon. We think adding House Speaker Pelosi's efforts is significant in the legislative progress. We see the potential for SAFE to ultimately include language for social equity provisions as well as the ability for up-listings to US exchanges and U.S. capital markets opening up to institutional investment.

With respect to the long anticipated legislative package to be released by Sen. Majority Leader Chuck Schumer (D), The Cannabis Administration and Opportunity Act (CAOA) we expect Sen. Schumer to introduce his comprehensive legalization around April 20 festivities. Keep in mind that the timing of a 4/20 announcement is conveniently weeks after nominations close with respect to a Democrat primary run off with Sen. Schumer. We have mentioned in the past that the push from Sen. Schumer for legalization is more a move of self-preservation to assist his candidacy and ward off progressive Democrat challengers rather than be married to specific legislative outcomes. To us, the previous broader cannabis policy initiatives promoted by Senators Schumer, Booker and Bryden (all Democrats) will likely make way for the more focussed cannabis legislative package promoted by Perlmutter and various Republicans in both the House and Senate.

AMAZON Backs The STATES Reform Act

Amazon (AMZN) has come out endorsing Rep. Nancy Mace's (R-SC) and her STATES Reform Act that would remove cannabis as a federal Schedule I substance and introduce a new 3% federal tax on cannabis sales. Amazon's public policy arm stated it was "pleased to endorse" Mace's proposal. "Like so many in this country, we believe it's time to reform the nation's cannabis policy and Amazon is committed to helping lead the effort." It is important to note that aside from being a leading tech enabled business and a valuable public company, Amazon is also the second-largest employer in the US, putting significant pressure on Congress on cannabis reform. We believe that as non-cannabis companies get behind cannabis reform, the potential for federal legislative change gains momentum.

Other companies that are involved in lobbying or pressuring Washington include tobacco giant Altria (MO), lobbying for "discussions in support of the establishment of a responsible and equitable comprehensive federal regulatory framework for cannabis". Financial services giant Morgan Stanley, (MS) is lobbying for changes to cannabis related financial services, and Diageo (DGE) one of North America's largest alcohol and spirits distributors is lobbying in favour of a sound framework for marijuana taxes and regulatory issues.

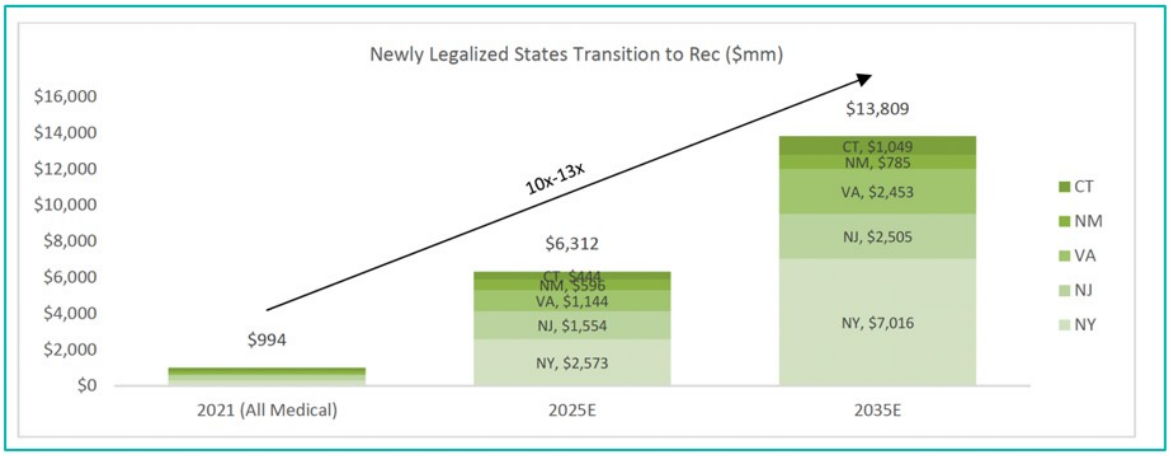
Growing State Markets

The legal US cannabis market ended 2021 with revenues of approx. $24.6B representing growth of 29% YoY, in addition to a still strong illicit market of ~$65.4B, according to New Frontier Data. As states continue to legalize for medical purposes and then transition to adult use, we continue to see significant growth in the US sector.

2020 and 2021 sales growth were driven by medical states such as FL, and PA as well as adult use

markets such as AZ, MA, and PA. Of the six states that had positive ballot initiatives voting in favour of adult legalization in the fall of 2020, so far only one of those states has started legal recreational sales. As a result, we see continued acceleration in the latter part of this year and into 2023 as five new states convert from medical to recreational sales. The northeast has Connecticut, New Jersey and then New York; while the mid-east region will see Virginia switch over while the southwest region has New Mexico converting to legal adult use sales. When we consider the recent transitions of medical states to adult use, we can see growth in the total addressable market (TAM) of the United States of approx. $5 billion from these five states by the end of 2025 and estimate an addition of $10-14 billion of additional sales once these markets reach maturation.

Medical to Recreational State Transition
(CT, NJ, NY, VA, NM)



Source: New Frontier Data, MJBiz, Roth Capital

As we have stated in previous commentaries, the growth and acceptance of adult use cannabis at the state level is the key driver that affects growth of revenues, and growth of cash flow and earnings. We continue to see very strong support at the state level for the continued growth in various key markets. In New Jersey Gov. Phil Murphy (D) has discussed the benefits of cannabis legalization in different state addresses detailing jobs growth, economic stimulus, and participation of social equity businesses. New Mexico Governor Michelle Grisham (D), where the state legalized adult use cannabis into law in 2021, discussed the economic benefits of the state's new rec market. Minnesota Gov. Tim Walz (D) has included the benefits of adult use cannabis in the state budget request. In addition to states that have already passed legislation, Rhode Island Governor McKee (D) included cannabis reform in his budget request and New York Governor Kathy Hochul (D) has announced the establishment of a $200 million fund for cannabis social equity applicant businesses.

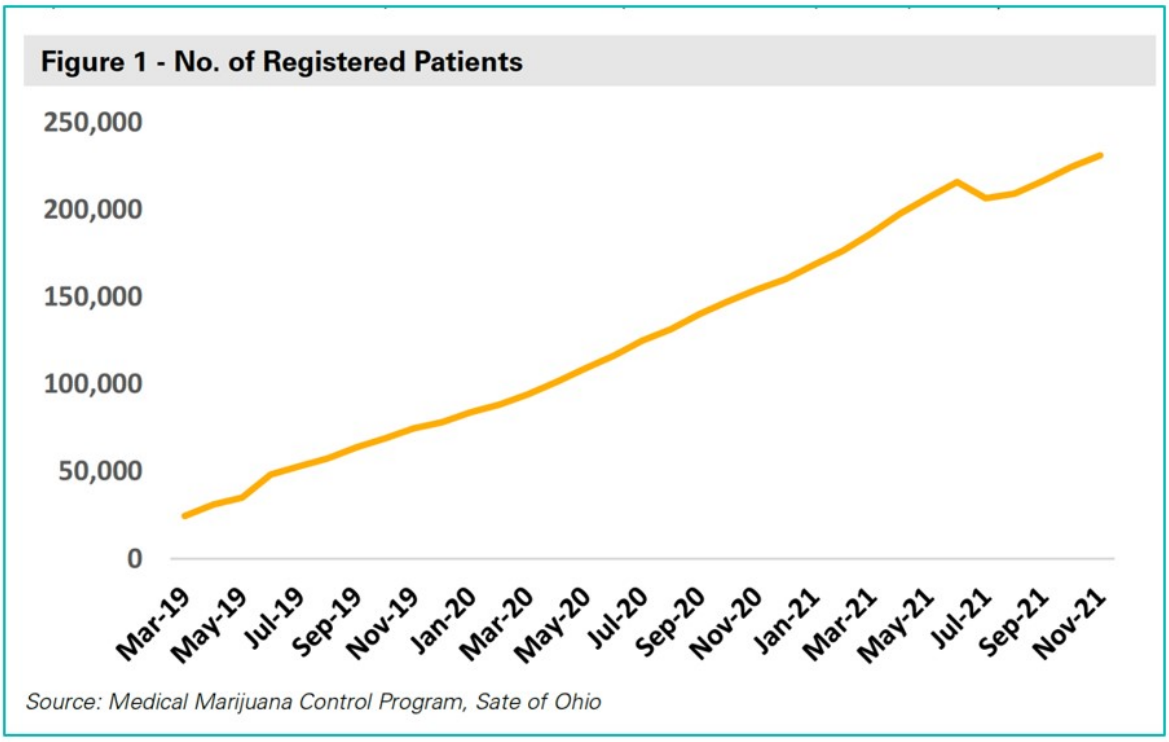
With Gubernatorial races heating up, we also see new states discussing medical cannabis legislation as candidate Joe Cunningham from South Carolina (D) stating that "It's time to finally pass the medical marijuana bill in the SC legislature" after 8 years of proposals. Surprisingly, even South Dakota Governor Kristi Noem (R), who led a lawsuit last year to overturn the voter-approved ballot initiative to legalize rec cannabis, is now adjusting her platform to bring new adult use legislation based on the popularity of cannabis among her constituents. So, the winds of change continue to support a larger and growing total addressable market. The long term growth in the US only changes to the upside.

Ohio – Republican Governor – Medical State

An Ohio-based cannabis advocate group is on track to advance adult-use cannabis in the State. The Coalition to Regulate Marijuana Like Alcohol turned in the required number of signatures to force legislative change. If these signatures are validated there are two paths forward which would involve either immediate legislative action in the State Legislature or a ballot initiative to be voted on this November.

If Ohio decides to legalize recreational sales, it would be the fourth largest legal cannabis state (by population) in the US behind California, New York and Illinois and ahead of Michigan and New Jersey. It's important to note that both Illinois and Michigan both surpassed $1billion in sales in each state's second year of legal recreational sales.

Ohio currently has 57 operating dispensary licenses which were awarded when the state initially launched the Medical Marijuana Control Program in 2018. The maximum number of dispensaries an MSO can operate is capped at 5. The number of patients in the medical program has grown quickly since the start of the program with the number of registered patients at 231,165 (Figure 1) as of November 2021. Key operators in the state that are fund positions include Columbia Care, Verano, Cresco and Green Thumb Industries.



New York

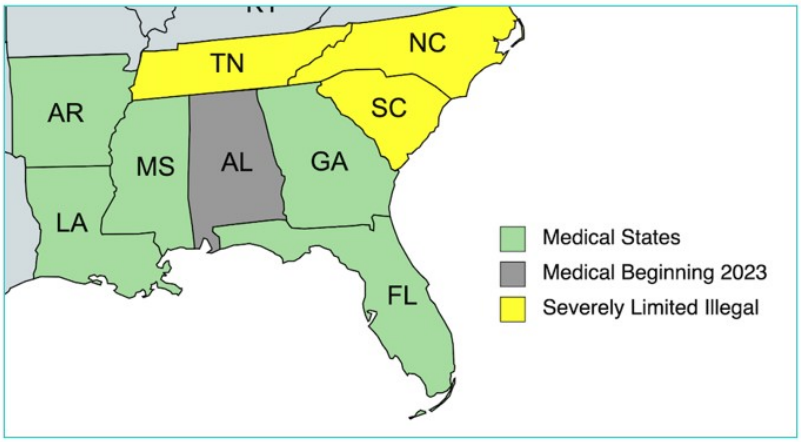
As equity market participants wait for details on this new and significant recreational market, there is growth in the state medical market. The NY state Office of Cannabis Management (OCM) announced a significant expansion of the existing medical cannabis program. Now doctors will be able to issue medical marijuana recommendations to people for any condition that they feel could be treated by cannabis, rather than rely on a list of specific eligible ailments. Physicians were granted that discretion through the state's recreational marijuana law that was enacted last year. Gov. Kathy Hochul (D) has repeatedly emphasized her interest in legalizing marijuana. The Governors 2022 budget mentions an estimate that New York stands to generate more than $1.25 billion in

marijuana tax revenue over the next six years.

Mississippi

The Legislature of the state of Mississippi legalized medical marijuana for its residents that have debilitating conditions. Gov. Tate Reeves (R) signed the legislation becoming law early in February. A majority of MS voters approved a medical marijuana initiative in a ballot initiative in November 2020 however the state Supreme Court invalidated the vote six months later by ruling that the state's initiative process was outdated, and the measure was not put properly described on the ballot. There was concern that state Republicans would block the legislation however the vote from the House and Senate, both controlled by Republicans, passed the final version of Senate Bill. There are significant growth implications for this southern Republican controlled state as many of its state neighbours at this point severely limit medical and/or recreational cannabis. With MS and Georgia joining Florida in this region as medical states, we anticipate that tax revenue generation and jobs growth will be a catalyst for further southern state inclusion into medical cannabis markets.

Southeast Cannabis States

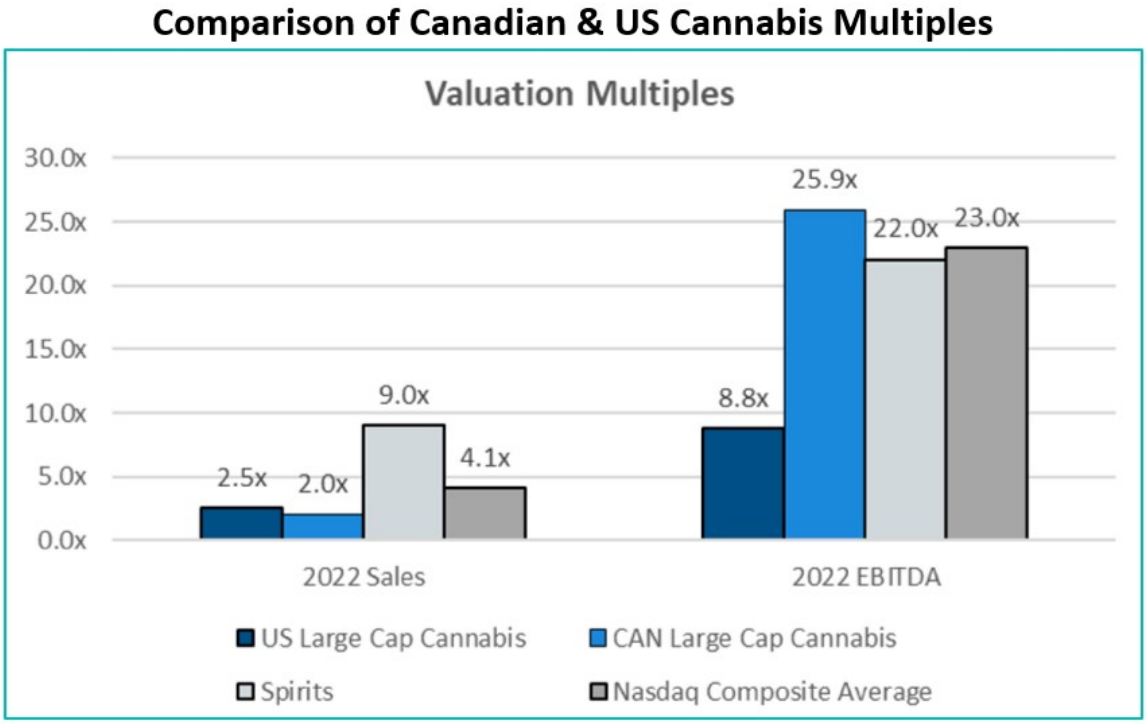


Canadian Cannabis Market

During 2021, the Canadian cannabis industry continued to experience moderate growth at the retail level, with legal adult-use sales ending the year at an annualized run-rate of C$4.25B up ~28% YoY, with growth supported by a significant increase in the number of retail stores in operation YoY. However, despite stronger top line revenue growth, many of the leading Canadian Licensed Producers (LPs) have not still been able to generate positive cash flows. Commoditization caused by previous over building of cultivation continues to plague incumbents with uncompetitive cost bases, while more focused and efficient producers continue to eat away at market share. Another key issue facing the Canadian market is the significant increase in retail dispensaries concentrated in Ontario, where the concentration of stores has led to price pressures. We continue to see the previous leaders in Canadian LP's struggling to estimate when they will reach positive cash flows while other more efficient producers generate positive cash flow, gain market share and add new and innovative product offerings. As a result, we continue to be very selective in terms of our Canadian cannabis exposure.

This brings up a question all investors should ask themselves. How much will you pay for a growth stock that isn't growing? We need to keep this in mind as we review the multiples that the largest Canadian Licensed Producers continue to trade at. No growth in cannabis revenues, acquiring non-

cannabis businesses in the hopes of converting brands to cannabis sometime in the future?



Source: S&P Capital IQ, Echelon Capital Markets

Company Announcements: M&A

During the month, there was news related to recent M&A activity, both focussed on the new adult use market that is being created in New York. **Ascend Wellness (AAWH)** had previously announced that it had signed an agreement to purchase 87% of New York cannabis licenses from **MedMen (MMEN)** for $73 million. This transaction was announced in the Feb of 2021 before NY Gov. Cuomo resigned and before Gov. Hochul brought forth adult use legislation. In December of 2021 as AAHW had worked to meet all regulatory requirements for New York State prior to year-end, MMEN appears to have unilaterally terminated this agreement. AAHW has now filed a lawsuit in the Supreme Court of New York against MMEN to prevent MMEN from encumbering the equity/assets of the New York operations. The New York Office of Cannabis Management has stated "both companies were notified prior to Jan. 1 that the Cannabis Control Board's approval of this change in ownership at its Dec. 16 meeting was final". Given the clear message from the CCB, AAHW should prevail though the timing is uncertain.

In a transaction announced at the end of January, **Verano Holdings (VRNO)** announced it has an agreement to purchase 100% of **Goodness Growth Holdings (GDNS)** in an all-share transaction valued at ~US$413 million. GDNS is a US multi-state operator that has grown to 18 active dispensaries currently in operation. The coveted assets involve its NY vertical license (GDNS was one of ten licensees), in addition to having one of the only two vertical licenses in MN, with additional assets in NM, AZ and MD. VRNO has solidified its positioning as a top-tier MSO with the acquisition, with a footprint of 18 state licenses (operating in 15), including 17 cultivation facilities (1.3M sq. ft.) and 111 active dispensaries. The most compelling opportunity for this transaction is the ability to enter the New York market, a state that has a potential revenue goal in excess of US$5 billion.

These transactions underline the importance of the adult use market that is scheduled to begin in

NY in 2023 with close to 20 million people and the state being a limited license market where 10 incumbent operators are vertically integrated. As stated previously, NY will add significant growth to the US total addressable market (TAM) when one considers the state population, annual tourism and consumption lounge approvals.

Financial Results

During the month, our leading pharmaceuticals, healthcare and wellness names issued Q4/21 results that strongly support our continued allocation to the sector. **UnitedHealth Group (UNH)** released results that were in-line with the company's update in November, reporting revenues of $73.7 billion exceeding street estimates of $73 billion, with operating income of $5.54 billion and adj. EPS exceeding market expectations $4.48 vs street at $4.30. Important in our belief in UNH was that management reiterated 2022 guidance and reaffirmed its Medicare Advantage membership growth of ~9.6 which is significant in light of the recent announcement from **Humana (HUM)** that cut its 22 MA enrollment outlook by 50%. UNH's OptumHealth is a key driver of growth, integrating home care, telehealth as well as more traditional in-person patient visits, all supported by doctors, nurses and other health practitioners. The pandemic has escalated the use of telehealth and given the capital that UNH has invested in this integrated platform, UNH is well positioned for growth.

Pfizer (PFE) announced Q4/21 results that illustrated a strong EPS beat, however results were considered mixed with Q4 revenues just shy of analyst estimates. In the fourth quarter, PFE reported revenues of $23.8B vs consensus estimates of $24.2B while announcing a beat on adjusted diluted earnings per share of $1.08, $0.21 higher than FactSet consensus. The adjusted diluted EPS for FY/21 was $4.42. This was based on revenue growth of 106% in the fourth quarter to $23.8 billion. For the year, revenues rose by 92% to $81.3 billion.

PFE provided fiscal 22 guidance with revenues of $98 billion to $102 billion and adjusted diluted EPS of $6.35 to $6.55. We continue to believe that PFE has built a leading and still growing franchise in its COVID-19 business projecting revenues of approx. $22 billion from Paxlovid in 2022 from contracts already committed or signed as of the end of January. In addition, the company has a significant pipeline of solutions in registration in addition to a pipeline of approx. 60 drugs in early stage (phase 1 & 2 clinical trials) while 29 drugs are in Phase 3. Developments are diverse in oncology, inflammation and immunology, internal medicine and rare diseases. We believe that PFE continues to generate strong earnings growth, driven by its pipeline of innovative medicines outside of its COVID franchise that are all underappreciated. As a result, we see upward revisions to estimates in the coming quarters which will re-rate the stock.

Johnson & Johnson (JNJ) announced mixed 4Q/21 results that had revenues of $24.8 billion slightly missing analyst expectations of $25.3 billion while there was a beat on an earnings basis of $2.13 per share vs $2.12 per share from street estimates. Pharmaceutical worldwide sales grew 13.6% (well above market of 3-4%) driven by Darzalex, Stelara and Tremfya. Darzalex is a prescription medicine used to treat adult patients with multiple myeloma. Stelara is used to treat a certain type of arthritis, Crohn's disease as well as ulcerative colitis. Tremfya is the first FDA-approved medication of its kind to selectively block interleukin 23 (IL-23), one of the key proteins thought to be responsible for symptoms of psoriatic arthritis. Janssen's COVID-19 Vaccine reported 2021 COVID vaccine sales of $2.4B. In 2021, Medical Devices worldwide adjusted operational sales grew 16.8%, while its consumer health division had operational sales increases of 3.8%. We believe the Fund's position in JNJ is sound as the company provided strong guidance for 2022. JNJ announced its 2022 sales guidance and EPS guidance of $100.3-$101.3B above street expectations of $98 billion. This

guidance includes $3.0B-$3.5B of COVID vaccine.

Proctor & Gamble (PG) another top ten fund holding announced solid Q4 results with revenue up 7% to $18.95 billion beating street estimates of $18.41 billion. Net income for the quarter was $2.9 billion, or $1.13 per share, compared with $2.8 billion, or $1.07 per share, a year earlier. PG reported the strongest growth in its beauty and health-care businesses, as consumers prepare to head back to the office in Q4 and into Q1/22. The health business saw organic sales climb by 14%, aided by oral care products while its beauty segment had growth of 6% and home care reported organic sales growth of 2%. The Company presented its fiscal 2022 outlook that includes cost allocations from headwinds of $2.3 billion after-tax from higher commodity costs, $300 million after-tax from higher freight costs and $200 million after-tax from negative foreign exchange impacts. Combined, these items are a $2.8 billion after-tax headwind, or approximately $1.10 per share, to fiscal 2022 earnings versus fiscal 2021. PG, the maker of Tide, Charmin and Pampers is on track to raise prices on some products this year in response to the rising costs.

Although the Fund does not hold the position, it is important to highlight the Q1/22 results for **Tilray Brands (TLRY)**. As stated above, we believe the US cannabis market continues to provide significant upside for investors. Contrasting the revenue and cash flow growth seen in many of the leading MSO's we compare those US names relative to the weaker results seen in many Canadian LP's. For the quarter, revenues were $155 million down $13 million sequentially. The company missed consensus estimates by 9%, driven largely by weaker Canadian medical and adult use sales. TLRY generated adjusted EBITDA of $12.6 million in line with street while gross profit came in at US$32.8M (or 21.1%), down from US$51.0M (or 30.4%) in the prior quarter.

The company continues to have an annualized free cash flow burn-rate of ~(US$65M). Canadian adult rec cannabis revenue continues to struggle with the segment down 28% sequentially as moderate volumes and consistent price declines continue to weigh on licensed producers. What is also important to remember about TLRY and its diversified business lines is that over 60% of revenue comes from non-cannabis segments such as distribution (44%), alcohol and wellness (9% each).

Options Strategy

During January the Fund continued using its options strategy to enhance risk adjusted returns. Since inception of the option writing program in September 2018, the Fund has generated significant income from options premium of approximately $4.17 million. We will continue to utilize our options program to look for attractive opportunities given the above average volatility in the sector as we strongly believe that option writing can continue to add incremental value going forward.

Since the end of 2021, equities have struggled to find their footing amid a risk-off sentiment driven by the Omicron variant, the release of minutes from last month's FOMC meeting, and rising geopolitical tensions. While equity volatility did spike and trend upwards option pricing was not as convincing and as a result, we chose to be less active. During the month we used our options strategy to assist in rebalancing the portfolio in favor of names we prefer while generating approximately $21,000 in options income. We continue to write covered calls on names we feel are range bound near term and from which we could receive above average premiums. Examples of such trades include AstraZeneca PLC (AZN). We also continue to write cash secured puts out of the money at strike prices that offered opportunities to increase our exposure, at more attractive prices, to names already in the Fund including Pfizer (PFE) and AstraZeneca PLC (AZN).

The Ninepoint Alternative Health Fund, launched in March of 2017 is Canada's first actively managed mutual fund with a focus in the cannabis sector and remains open to new investors, available for purchase daily. An ETF version **(NAHF)** of the fund is also now available for investors. Utilizing our actively managed approach we are able to generate industry leading risk adjusted returns.

Charles Taerk & Douglas Waterson
The Portfolio Team
Faircourt Asset Management
Sub-Advisor to the Ninepoint Alternative Health Fund

Ninepoint Alternative Health Fund - Compounded Returns[1] as of January 31, 2022 (Series F NPP5421) | Inception Date - August 8, 2017

	MTD	YTD	3MTH	6MTH	1YR	3YR	INCEPTION(ANNUALIZE
FUND	-12.4%	-12.4%	-10.0%	-22.6%	-25.1%	-2.9%	15.5%
TR CAN/US HEALTH CARE BLENDED INDEX	-7.8%	-7.8%	-11.4%	-17.0%	-23.9%	-15.1%	-0.2%

Statistical Analysis

	FUND	TR CAN/US HEALTH CARE BLENDED INDEX
Cumulative Returns	90.9%	-1.2%
Standard Deviation	28.7%	31.2%
Sharpe Ratio	0.5	-0.0

[1] All 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 January 31, 2022. The index is 70% Thomson Reuters Canada Health Care Total Return Index and 30% Thomson Reuters United States Healthcare Total Return Index and is computed by Ninepoint Partners LP based on publicly available index information.

The Fund is generally exposed to the following risks. See the prospectus of the Fund for a description of these risks: Cannabis sector risk; Concentration risk; Currency risk; Cybersecurity risk; Derivatives risk; Exchange traded fund risk; Foreign investment risk; Inflation risk; Market risk; Regulatory risk; Securities lending, repurchase and reverse repurchase transactions risk; Series risk; Specific issuer risk; Sub-adviser risk; Tax risk.

Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), and other expenses all may be associated with investing in the Funds. Please read the prospectus carefully before investing. The indicated rate of return for series F shares of the Fund for the period ended January 31, 2022 is based on the historical annual compounded total return including changes in share 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.