Ninepoint Global Real Estate Fund

July 2018 Commentary

Investment Team

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Year-to-date to July 31, the Ninepoint Global Real Estate Fund generated a total return of 2.39% compared to the FTSE EPRA/NAREIT Index, which generated a total return of 5.35%.

Returns in the month of July were good on both an absolute and relative basis, with the Fund generating a total return of 0.51% while the benchmark generated a total return of -0.18%. Because the US 10-year bond yield rose modestly through the month of July, ending at 2.96%, most REITs were weaker during the month. Real Estate Operating Companies, Retail REITs and Residential REITs continued to rally from oversold levels but gains were much more moderate than in the month of June, allowing us to recover some ground relative to the benchmark.

Our modelling indicates that the Canadian dollar should continue to weaken in 2018. Because a resolution to the ongoing NAFTA negotiations is looking less likely in the near term, we have closed out our currency hedging, returning to a neutral positioning relative to our benchmark.

Top contributors to the year-to-date performance of the Ninepoint Global Real Estate Fund included Aroundtown (+80 bps), Colliers (+73 bps) and Pure Industrial REIT (+60 bps). Top detractors year-to-date included Immobiliare Grande Distribuzione (-64 bps), Gazit-Globe (-40 bps) and Citycon Oyj (-30 bps).

After a weak start to the year, tied to the broad selloff in the real estate sector, our position in CyrusOne Incorporated (CONE US) recovered nicely, rallying approximately 42% from the lows. CONE is the owner and operator of data centers across the United States, Europe and Asia specializing in enterprise data center colocation. Importantly, CyrusOne's roughly 1,000 customers include 200 of the Fortune 1000. The Company's strategy is focused on attracting new customers that have not traditionally outsourced their data needs but are looking for improved flexibility, reliability and security, which CONE can offer.

On August 1, the Company reported solid second quarter results, with year over year revenue growth of 18% to $196.9 million, adjusted EBITDA growth of 22% to $110.6 million and normalized FFO per share growth of 5% to $0.81. CONE also announced record bookings in the quarter, leasing 52 megawatts and 305,000 colocation square feet, totaling $65 million in future annualized revenue. The leasing activity included more than 10 megawatts signed with two hyperscale customers based in China who are looking to expand their presence in the United States. The Company also just completed construction on 18 megawatts and 27,000 colocation square feet across three projects in San Antonio, Northern Virginia and Phoenix. Given the solid bookings, management boosted FFO per diluted share from a range of $3.18 to $3.28 to a new range of $3.25 to $3.30, which bodes well for future performance.

The Ninepoint Global Real Estate Fund was concentrated in 31 positions as at July 31, 2018 with the

top 10 holdings accounting for approximately 41.4% of the fund. Over the past year, 21 out of our 31 holdings have announced a dividend increase, with an average hike of 16.9%. Using a total real estate approach, we will continue to apply a disciplined investment process, balancing valuation, growth and yield in an effort to generate solid risk-adjusted returns.

Jeffrey Sayer, CFA

COMPOUNDED RETURNS[1]

	1M	YTD	3M	6M	1YR	3YR	INCEPTION
Fund	0.5%	2.4%	3.6%	2.4%	11.8%	10.5%	10.5%
Index	-0.2%	5.3%	5.6%	7.7%	9.9%	5.5%	5.8%

[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 July 31, 2018; e) 2015 annual returns are from 08/04/15 to 12/31/15. The index is 100% FTSE EPRA/NAREIT Developed TR Index (CAD) and is computed by Ninepoint Partners LP based on publicly available index information.

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