



# Ninepoint Flow-Through Year End Update

Dec 31/2021

## 2020 Short Duration Flow-Through Update

The 2020 Short Duration fund will be terminating on February 7, 2022 at which point the after-tax rates of return will be formally calculated. The fund's cash position is approximately 5%.

Investors are routinely fixated on pre-tax returns. This is surprising considering investors rarely capture those returns on an after-tax basis because most investors are taxed on gains and income. When evaluating the returns of a flow-through fund, the only meaningful measure of performance is on an after-tax basis considering it is a tax mitigating product. Although after-tax return figures are not calculated until the fund is terminated, investors should consider some of the following points when gauging how the investment is performing on an after-tax basis. Many investors incorrectly evaluate the performance of the fund based on the initial investment of \$25/unit.

This \$25/unit is not adjusted for initial fees, premiums paid to acquire flow-through shares or the tax benefits. Most importantly, it is critical that investors understand how impactful the tax benefits are to the per unit economics. As disclosed in the 2020 Short Duration prospectus, the breakeven point on an after-tax basis for an Ontario investor taxed at the highest marginal rate is approximately \$12.43/unit. The bogey for a flow-through fund is the after-tax breakeven point, not the \$25/unit initial offering price. Investors need to understand this in order to correctly evaluate the performance of the flow-through fund. The Net Asset Value (NAV) for the 2020 Short Duration fund on December 31, 2021 was \$28.51/unit which compares favorably to the peer group average of \$28.13/unit.

## 2021 Flow-Through Update

The fund's proceeds were fully invested by year end. 56% had been allocated to gold mining equities, 29% to base metal equities while uranium and other metals represent the balance. The portfolio currently consists of 48 companies with a weighted average market capitalization of \$225M. The weighted average premium paid was 7%. The NAV on December 31, 2021 was \$18.79/unit which compares favorably to the peer group average of \$17.22/unit.

## 2021 Short Duration Flow-Through Update

## Investment Team

---



**Ninepoint / Sprott,**  
Sub Advised by Sprott Asset  
Management (SAM)

The fund's proceeds were fully invested by year end. 56% had been allocated to gold mining equities, 25% to base metal equities while uranium and other metals represent the balance. The portfolio currently consists of 28 companies with a weighted average market capitalization of \$155M. The weighted average premium paid was 9%. The NAV on December 31, 2021 was \$21.87/unit.

#### NAV Details (\$) Per Unit as at Dec 31, 2021 (Before Tax)

Fund Name	NAV
Ninepoint 2020 Short Duration Flow-Through Series A	\$28.51
Ninepoint 2021 Flow-Through Series A	\$18.79
Ninepoint Short Duration 2021 Flow-Through Series A	\$21.87

**The Fund is generally exposed to the following risks. See the prospectus of the Fund for a description of these risks: concentration risk; credit risk; currency risk; cybersecurity risk; derivatives risk; exchange traded funds risk; foreign investment risk; inflation risk; interest rate risk; liquidity risk; market risk; regulatory risk; securities lending, repurchase and reverse repurchase transactions risk; series risk; short selling risk; small capitalization natural resource company risk; specific issuer risk; tax risk.**

Ninepoint Partners LP is the investment manager to a number of funds (collectively, the "Funds"). Important information about these Funds, including their investment objectives and strategies, purchase options, and applicable management fees, performance fees (if any), and expenses, is contained in their prospectus. Please read the prospectus carefully before investing. Commissions, trailing commissions, management fees, performance fees, other charges and expenses all may be associated with investing in the Funds. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. This communication does not constitute an offer to sell or solicitation to purchase securities of the Funds. 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. Any reference to a particular company is for illustrative purposes only and should not to 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 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