



Ninepoint Global Infrastructure Fund

May 2018 Commentary

Year-to-date to May 31, the Ninepoint Global Infrastructure Fund generated a total return of 0.13% compared to the S&P Global Infrastructure Index, which generated a total return of -1.97%.

Returns in the month of May were excellent both on an absolute and relative basis, with the Fund generating a total return of 1.36% while the benchmark generated a total return of -0.83%. The US 10-year bond yield was extremely volatile during the month, with rates spiking to a high of 3.13% before declining to a low of 2.76% on Italian political uncertainty and global trade war fears. Although rates ended the month at 2.86%, utilities underperformed, validating our underweight positioning. The energy sector was the clear performance winner in May and we maintained our overweight positioning.

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 reduced some of our currency hedging, returning to a more neutral positioning relative to our benchmark.

Top contributors to the year-to-date performance of the Ninepoint Global Infrastructure Fund included Mastercard (+94 bps), Marathon Petroleum (+69 bps) and CSX Corporation (+67 bps). Top detractors year-to-date included Westshore Terminals (-63 bps), Comcast (-60 bps) and Brookfield Infrastructure Partners (-38 bps).

With the recovery in crude oil, one of our favourite Canadian midstream companies, Pembina Pipeline Corporation (PPL CN), has rallied nicely off the lows. Operating under three divisions (pipelines, facilities and marketing & new ventures), Pembina gives investors pure exposure to crude oil, natural gas and NGL transportation and storage across basins in both Canada and the United States. In terms of assets, the pipeline division consists of over 18,000 km of pipelines with total capacity of about 3 million barrels of oil equivalent per day. The facilities division is comprised of nineteen natural gas gathering and processing assets capable of processing over 6 billion cubic feet per day, primarily in western Canada. Finally, Pembina's marketing & new ventures division is designed to add incremental value to the commodities flowing through the Company's infrastructure and includes the proposed propylene and polypropylene facility in Alberta and the proposed Jordan Cove LNG project.

Pembina currently pays a dividend of \$2.28 per share on an annualized basis, implying a yield of 5.1% based on the current trading price. With approximately 85% of the Company's business fee-based, the dividend and all corporate costs are covered by this stable cash flow stream.

Management bumped the dividend 5.6% in May and we expect consistent growth of approximately 5% each year going forward.

The Ninepoint Global Infrastructure Fund was concentrated in 30 positions as at May 31, 2018 with the top 10 holdings accounting for approximately 37.1% of the fund. Over the past year, 25 out of

Investment Team



Jeff Sayer, CFA
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our 30 holdings have announced a dividend increase, with an average hike of 18.1%. Using a total infrastructure 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

NINEPOINT GLOBAL INFRASTRUCTURE FUND - COMPOUNDED RETURNS¹ AS OF MARCH 31, 2022 (SERIES F NPP356) | INCEPTION DATE: SEPTEMBER 1, 2011

	1M	YTD	3M	6M	1YR	3YR	5YR	10YR
Fund	6.1%	2.2%	2.2%	10.1%	15.1%	10.8%	9.0%	8.1%
MSCI World Core Infrastructure NR (CAD)	5.3%	1.6%	1.6%	10.4%	14.2%	6.9%	9.0%	12.0%

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 May 31, 2018; e) 2011 annual returns are from 09/01/11 to 12/31/11. The index is 100% MSCI World Core Infrastructure NR (CAD) and is computed by Ninepoint Partners LP based on publicly available index information.

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