Ninepoint Alternative Health Fund

November 2021 Commentary

Investment Team

Ninepoint / Faircourt,
Sub Advised by Faircourt Asset Management

Introduction

This has been an exciting month for the Fund as significant news flows were seen in quarterly financial results, M&A activity as well as continued demand for healthcare services. In a major change for investors in the global healthcare space, **Johnson & Johnson (JNJ)** announced a re-organization that should unlock significant shareholder value creating two companies that will be able to focus investor attention on their respective operations.

November had many MSOs announcing earnings releases and there was significant legislative news and higher trading volumes with big price moves in both directions this month. Large MSOs gained 10%-22% (in one trading session) on news that Republican Representative Nancy Mace from SC was introducing cannabis legislation to compete with Democrat proposals. Regardless of whether the proposed Bill- the Reformed States Act passes or not, *the mere possibility of Republican engagement on the issue drove stocks materially higher*. When substantive news occurs, the moves will be much larger. The Democrats risk losing this issue to the Republicans and need a win in Congress. This might be what is needed to tone down the demands of the progressive side of the Dems towards reaching consensus with Republicans. Sector growth is still there and quality still matters.

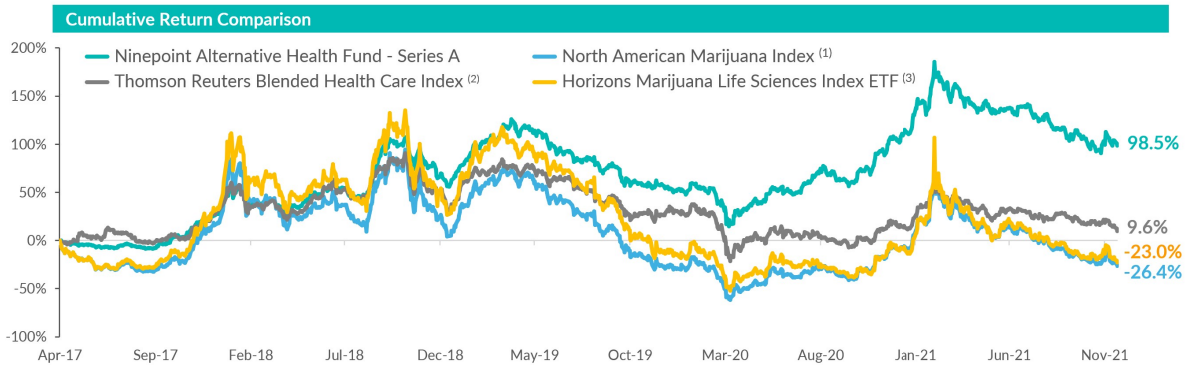
With all time high after all-time high in both the NASDAQ and the S&P 500, there aren't many bargains left in the market. Its not often you can get growth at a value multiple, yet this is exactly what the cannabis sector is offering.

US Cannabis Companies are oversold to extremely discounted valuations; they have top line revenue growth, positive cash flow growth and what we believe is an inevitable legislative catalyst. **These Companies Are Coiled Springs!**

For the month of November, the Fund saw strong performance from Pfizer Inc. (PFE) +23.9%, Jamieson Wellness (JWEL) +5.4%, AMN Healthcare (AMN) +15.5% once again illustrating the diversified approach that outperforms our benchmarks and related indices.

Ninepoint Alternative Health Fund

Cumulative Returns (As at November 30, 2021)



Inception date: March 26, 2017. Chart shows period between April 11, 2017 and November 30, 2021

Period between April 11, 2017 and November 30, 2021	Annualized Return	Annualized Std Dev	Downside Deviation	Sharpe Ratio	Sortino Ratio	Max Drawdown
Ninepoint Alternative Health Fund – Series A	16.3%	28.2%	17.3%	0.55	0.94	-39.8%
Thomson Reuters Blended Health Care Index(1)	2.1%	36.8%	23.6%	0.03	0.09	-58.7%
Horizons Marijuana Life Sciences Index ETF	-5.6%	61.7%	36.2%	-0.10	-0.15	-71.5%
North American Marijuana Index(2)	-6.6%	55.9%	34.7%	-0.13	-0.19	-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.

Cannabis Regulatory Update

The month of November was filled with legislative and political news adding pressure for change with respect to federal cannabis legislation in the US. While none of the news is individually game changing, collectively it demonstrates that cannabis has clearly become a top tier issue in Washington. There are few votes to be gained through opposition to cannabis reform, and this fact is slowly being reflected in the political discourse in Washington.

The States Reform Act

Representative Nancy Mace (Republican SC) hosted a press conference Nov 15th introducing the States Reform Act (SRA). She released what she termed “compromise” legislation that should provide elements that both Republicans and Democrats can embrace with respect to cannabis legislation at the federal level. Shortly after the press conference, the bill was formally filed within the House. The press conference featured speakers from several groups including Americans for Prosperity, Veterans Cannabis Project, Veterans Alliance for Holistic Alternatives, Concerned Veterans for America, Global Alliance for Cannabis Commerce, and the US Cannabis Council amongst others.

The terms of the SRA would federally decriminalize cannabis, while it defers to each state powers over prohibition and commercial regulation. As a result of de-scheduling, capital markets and commercial banking access would be granted. The Bill would end punitive 280E tax treatment while adding a 3% federal excise tax. The Bill also permits interstate commerce as well as imports from Mexico and Canada. Also important is that no state will be forced to change its current cannabis policies/laws nor be forced into a new regime of rules. The SRA suggests cannabis to be treated like alcohol from a regulatory perspective, and it grandfathers existing state licenses into the federal plan. There would be three different regulators for the industry; the US Dept of Agriculture (USDA) would oversee cultivation; the Bureau of Treasury would cover taxes and interstate commerce; while the Bureau of Alcohol, Tobacco

and Firearms ATF would cover enforcement. In addition, to reach across the aisle, Rep. Mace has included expungement of previous non-violent criminal records to the proposal and made clear that DUI's would not be expunged.

Regardless of whether each element of the bill is enacted is not as relevant as the fact that both Republicans and Democrats are now front and centre attempting to bring forth workable solutions that will also make their elected officials more likely to achieve re-election next November, as with most federal politicians their primary jobs bill includes keeping themselves employed in Washington. We continue to see SAFE Banking as the easiest compromise as it deals with banking (a public safety issue with significant bipartisan support) and does not deal with wider issues that tend to separate the major parties.

The question is how influential a freshman Republican from SC to Cannabis Reform is. We see this not as a stand-alone first term Republican from a very red state taking a stand but as a calculated plan by the Republicans to take the momentum for policy change away from the Democrats at a time when the Dems have just had a wake-up call in gubernatorial races in NJ and VA. The Republicans seem to be outmanoeuvering the Dems in terms of cannabis policy legislation as a result of the inability of Dems to control the far-reaching aspirations of the progressive side of the party. The Democrats, led by Sen Schumer/Booker/Wyden and the **Cannabis Administration and Opportunities Act (CAOA)** are losing control of the issue.

This could be an additional incentive to enact legislation before the Nov. 2022 elections with Democrats wanting to claim the win while they have control of both chambers of Congress. As it stands currently, the House could flip to Republican control. In addition, there are 14 Democrat Senate seats up for re-election vs 20 for Republicans.

Coalition of Governors Weigh in on Federal Cannabis Bills

A bipartisan coalition of 24 governors sent messages to Washington urging congressional leaders to pass SAFE banking within the National Defense Authorization Act (NDAA). The letter stated that the Safe Banking Act "will allow cannabis businesses to access normal banking services, which will transition cash-based transactions into the financial system where they belong." This letter is notable because these governors specifically requested Congress to take action on SAFE in the NDAA. These governors believed that the bill stood a greater chance of passing through the NDAA than would a stand-alone bill. Despite SAFE Act provisions being eliminated from the NDAA in early December, our continued view is that added pressure on cannabis legislation in Washington is seen positively by us as continuing high-profile discussions frequently lead to enactment of legislation.

State Attorneys General Pressuring Congress

A bipartisan coalition of state attorneys general sent a letter to congressional leaders arguing that efforts to legalize marijuana need to respect the autonomy of states while providing necessary resources to regulate the industry. State AG's (both Republican and Democrat) sent the letter in response to a request for feedback on Senator Schumer's **(CAOA)** bill last summer. In the letter, the attorney general stated, "we recognize that federal legislation, if enacted, will increase the already-pressing need for federal-state cooperation and oversight of products that contain cannabis or cannabis-derived compounds."

OH Medical Expansion

State Senator Stephen Huffman (Republican) is sponsoring a bill that would significantly expand the state's medical program. The legislation would allow physicians to recommend cannabis for any condition for which the patient might benefit, in a physician's opinion. It would also make curbside and

drive through dispensing permanent. The state currently has 132,000 patients, and when Ohio reaches Arizona's 4.3% penetration rate, that would result in a patient count of 500,000, implying significant growth in this medical market. This is noteworthy as OH is a Republican controlled State and while the focus in this discussion is on the medical program, we note that last month Republicans tabled adult use legislation for discussion in the State.

PA Vape Re-approval Requirement Resulting in Premium Flower Demand
Regulators in Pennsylvania have ordered licensed grower/processors to re-submit vape cannabis products that contain additives for approval. The reapproval disrupts the medical only state program especially for the leading vape businesses. This re-approval has focussed attention on alternatives to vape and we note that the premium flower segment in PA has seen a significant rise in demand as patients switch formats. Flower is the largest form factor in the market at roughly 45%, according to BDSA.

Format Trends	Past Three Months vs. Prior				
	Mar-May		Jun-Aug		$, % Change
	$M	$ Share	$M	$ Share	
All Accessories	$2.67	0.3%	$2.55	0.3%	-5%
Ingestibles	$12.1	2%	$11.7	1%	-3%
Pills	$5.46	0.7%	$4.14	0.5%	-24%
Tinctures	$6.67	0.8%	$7.55	1%	13%
Inhaleables	$302	38%	$302	38%	-0.02%
Concentrates	$159	20%	$157	20%	-2%
Dabbable Concentrates	$49.6	6%	$44.7	6%	-10%
Vape	$110	14%	$112	14%	2%
Flower	$142	18%	$145	18%	2%
Topicals	$2.1	0.3%	$2.08	0.3%	-1%

Source: BDSA Retails Sales Tracking- Pennsylvania (Medical), January 2021 – August 2021

Growing Debt Issuance for US Cannabis

With equity market weakness in the sector, US cannabis companies are finding significant demand from US Institutions in the form of senior debt issuance making up 85% of total capital raised in Q3 2021 vs 16% in Q1 2020 (Viridian Capital Advisors). This is being accomplished with depressed equity multiples in the space, that in our opinion are disconnected with MSO fundamentals.

Compared to most Canadian LP's that are generating negative or weaker cash flows, the trend to do debt deals with US cannabis companies demonstrates increasing creditworthiness as a result of their continued strong financial delivery. This has allowed leading MSOs to refinance their existing more expensive debt with lower single digit coupon rates. Issuing cheaper debt that does not contain any equity provisions, is an effective way to raise non-dilutive growth capital.

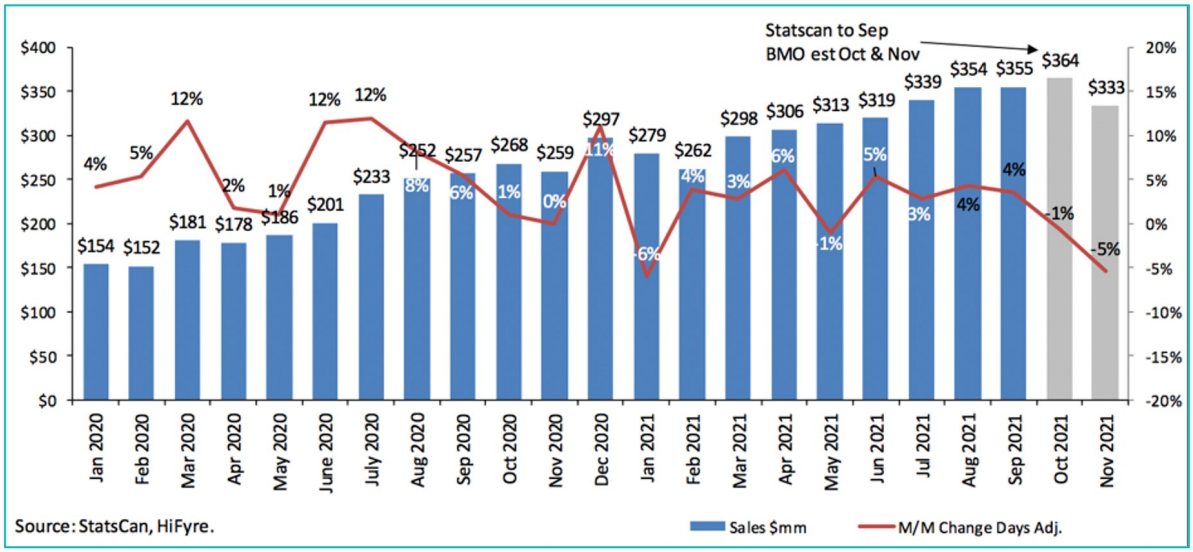
Another positive for the industry is the growing institutional interest for US cannabis assets. This is an encouraging sign for future equity growth as it shows more institutions are looking at the US space as debt is often a leading indicator of equity demand. Although this seems to be dancing on the head of a pin with respect to compliance, US institutions are having challenges with respect to holding US cannabis equity, while they appear more comfortable holding US cannabis debt.

Canadian Market Declines

We continue to believe that the Canadian cannabis market is experiencing reduced overall sales

momentum. HiFyre, the point-of-sale software platform that captures data across the country in more than 300 locations estimates November retail sell-through in Canada was $329 million, down from recent months in the $350 million range. On review of StatsCan results over the last three months compared to Hifyre data, BMO analysts estimate November retail sell-through of $333mm, which implies a 5% MoM decline. There are several factors that can be driving the overall decline. Issues include the degree of store saturation in Southern Ontario might be impacting retail sales momentum in addition to continued price discounting in the sector both at the wholesale and retail levels. As always, the impact of the illegal market is not known with certainty but is still very significant in terms of its percentage of the total market.

Monthly Canadian Retail Sell Through



VFF's Pink Kush flower remains the #1 branded flower in the country with **Organiram (OGI)** now #2 in the flower category.

The top five incumbent LPs have lost market share in Canada. **Tilray (TLRY)** has fallen in rank in the Top 100 Products list and in the Top 5 LPs by Subcategory. In November, TLRY Jean Guy pre-roll, shows up at #8. Earlier this year, more TLRY products ranked in the top 20. TLRY's flower brand is now #3 behind both VFF and OGI where earlier this year, Aphria would consistently rank #1 or #2.

Canopy's Tweed flower SKUs, which were successful in the beginning of this year at #2 - 3 ranking, have now slipped to #7 and #13.

Company Announcements

CURA Acquires TRYKE

Curaleaf (CURA) announced the acquisition of **Tryke Companies** for $286 million in cash/stock. Tryke, which operates the REEF network of dispensaries, is a privately held vertically integrated, multi-state cannabis operator, founded in Arizona in 2014, active in Nevada and in Utah's medical cannabis program. The company has a total of 6 total dispensaries (2 in AZ, 4 in NV), which provides **CURA** with the ability to open 11 stores in AZ (10 open now) vs the state leader (TRUL) at 20. TRYKE also adds ~190,000 sq.ft. of additional production in NV and AZ. **CURA** will pay US$40 million in cash at closing, with a remaining US$75 million in cash to be paid in equal installments on the first, second and third anniversaries of the closing. The stock portion of the transaction, which consists of 17 million subordinate voting shares of **CURA**, is also be paid in three equal installments on the first, second and

third anniversaries of the closing.

Johnson & Johnson Announces Corp Split of Consumer vs Pharma/Healthcare

Top Ten holding **JNJ** announced its intent to separate the company's consumer health business from its healthcare and pharmaceutical business, creating a new publicly traded company. The planned separation would create two global leaders well positioned and focused to deliver improved health outcomes for its patients and consumers as well as deliver growth for investors. The more stable consumer products business includes everything from Band-Aid bandages, Aveeno and Neutrogena skin care products, Listerine, while the growthier part of the business makes and sells prescription drugs and medical devices, including its COVID-19 vaccine. The company said it hopes to complete the transaction in 18 to 24 months. The pharmaceutical and medical device division, which includes advanced technologies such as robotics and artificial intelligence, would retain the name Johnson & Johnson.

JNJ would remain the world's largest and most diverse global healthcare company with significant R&D and innovation with a portfolio of leading pharmaceuticals and medical devices focused on innovation and technology. The transaction is intended to qualify as a tax-free separation for U.S. federal income tax purposes. The pharmaceutical and medical devices segments are expected to generate revenue of approximately $77 billion in in revenue for fiscal 2021. The consumer segment is expected to generate revenue of approximately $15 billion in fiscal 2021.

Village Farms (VFF) announced its entry into the Quebec cannabis market with the acquisition of 70% of **ROSE LifeScience (Private)** for C$46.7 million ($19.9mm cash). Quebec has been a market that **VFF** has not been able to enter via organic licensing and was the only other key domestic market for VFF to enter and should be a key growth driver for company. The company now has access to a further 21% of Canada's population, and now operates and distributes to 90% of Canada's adult-use market. Quebec is predominantly a flower market (due in part to more restrictive legislation than other provinces regarding alternative cannabis formats) that will work well for VFF as it is a solid cultivator building market share in other key provincial markets.

ROSE commercializes products in Quebec and acts as the direct-to-retail sales, marketing, and distribution entity for companies such as **Entourage Health (ENTG)**, **Sundial (SNDL)**, **Tilray (TLRY)**, and **Flowr (FLWR)**. ROSE becomes the Québec operation for VFF business segment, with ROSE's existing team remaining with the company in Québec. ROSE operates out of a 55,000 sq ft purpose-built facility in Huntingdon, which was commissioned in 2020. **VFF** has a call option to acquire the remaining interest in ROSE upon certain events prior to March 31, 2025, based on a multiple of ROSE's adj. EBITDA.

Financials

The outlook is strong in the US cannabis market and our belief is that it is on pace for 40% growth in 2021. We believe the Funds' US cannabis leaders are primed to capitalize on significant growth catalysts over the next 3-5 years from adult use conversion in several states, increased product development and adoption in both medical and adult use states in addition to federal legislation.

Trulieve Cannabis (TRUL) announced Q3 21 results that continue to illustrate strong execution, multi-state effectiveness and cost control. Revenues increased 64% YoY to $224.1 million from **TRUL** operations alone and if one considers benefits of the acquisition of **Harvest Health & Recreation (HARV)** that closed October 1st, pro forma revenue during Q3 was $316 million. Subsequent to quarter end, **HARV** completed its conversion of its 14 FL dispensaries to TRUL branded stores just 4 weeks into Q4 with management noting a 35% increase in revenue run-rate for reopened **HARV** doors that were operational for more than a month pre-conversion. Growth in the quarter was achieved with the opening of 7 new stores plus the addition of the 3 PA stores (Keystone Shops) acquired in July, while also being

the first FL company to launch hydrocarbon extraction based products, while also initiating wholesale operations in MA. Also noteworthy was that despite ongoing pricing pressures in the FL market, gross margins expanded 150 bps to 68.7% while EBITDA margins were 43.7%, $98.0 million, + ~5% QoQ, and well above consensus of $90 million.

TRUL achieved these results despite increased price competition in PA and FL, while the company was transitioning its processing activities in Tampa while management closed the largest transaction in US cannabis history with **HARV**. The combined **TRUL**/**HARV** operations are now in 11 states with 155 dispensaries, 47 outside TRUL home state of FL, with the company in leading positions in FL, AZ and PA. At quarter end, the company had over $215 million in cash on the balance sheet and then added $350 in Senior Debt issued at the industry's lowest rate of 8%. TRUL continues to be a leading position in the Fund.

Green Thumb Industries (GTI) announced results that were a solid print given the expansion of its operating margins during a very competitive Q3 in several state markets. Revenue increased 5.3% QoQ and 48.7% YoY to $233.7 million vs consensus estimates of $232.5 million. The revenue mix is 43% wholesale vs 57% retail. Retail revenue growth was 7.3% QoQ to $161.1 millions with same store sales growth of 14% YoY. Adjusted Operating EBITDA grew 2.4% sequentially and 52.6% YoY to $81.2 million or 34.7% driven by higher than expected gross margin of 55.4%.

It was the 5th consecutive quarter of positive adj. earnings per share (EPS), with continued positive cash flow growth despite the heavy 280E tax burden weighing on the industry. GTI generated revenue from all 14 of its markets with 4 states in its platform that will go REC in the next few years, the most of any MSO (NJ, NY, VA, CT) representing potential $15-20 billion in cannabis sales at maturity, roughly equivalent to the entire US market in 2020.

Cresco Labs (CL) reported revenue of $215.5 million, an increase of 2.6% QoQ, top line growth of 40.6% YoY. Important in the report was that despite slower sales growth, margins strengthened as gross profit increased 9% QoQ to 54.2%, while adjusted EBITDA reached $56.4 million, 26.2% of revenue, an increase of 24.0% QoQ. CL wholesale revenue reach $109.3 million, the highest quarterly wholesale revenue in the US. CL's 37 retail stores generated revenue of $106.2 million. The company's stated goal is to have a top 3 position in large markets; MA is the third market where Cresco Labs has achieved this with IL and PA being other major leaders. The company now distributes to over 1,100 stores up 32% YoY with five state markets holding at least 75% dispensary penetration. The company reaffirmed Q4 revenue guidance of $235-245 million as well as gross profit margins in Q4 above 50% and EBITDA of at least 30%. Other key markets for Cresco Labs include IL, FL, PA, OH, MA, with significant upside in NY.

Columbia Care (CCHW) reported Q3/21 revenue of $132 million representing 20.5% QoQ growthwith top line revenue falling short of consensus at $142 million. The topline miss is due to macro headwinds (CA/CO) and increased price competition in Fl. CCHW's top 5 markets did post sequential growth including MA (+6%), OH (+17%) and PA (+51%). The good news was that gross margins increased to 49%, up 500bps resulting in strength of adjusted EBITDA reaching $31 million expanding to 23.4%. Strong sales growth was achieved in IL +14% q/q outpacing statewide growth of 9%, NJ +45% q/q, and OH +17% q/q.

Q3 is the first full quarter that includes Green Leaf Medical, an MSO acquisition announced in late 2020. CCHW sees significant upside as the first operator to offer whole flower sales in Virginia and New York and is already expanding capacity for adult use in New Jersey, New York, and Virginia – all of which are expected to grow into multi-billion-dollar markets. We believe the company is well positioned to benefit from rec markets in NJ, NY, and VA, in the next few years.

Terrascend (TER) reported Q3/21 results that fell short of expectations as cultivation expansion

challenges hurt revenues and cash flow. The issue stems from the PA expansion that was discussed in the Q2 earnings call this summer. Revenues in Q3 came in at $49 million, down 16% QoQ, and below consensus of $57.7 million. Adj. EBITDA was $10.5 million, down from $24.3 million in Q2 and below consensus of $19.6 million. This represents a margin of 21% vs 41% last quarter. The company predicts sequential revenue/margin improvement in Q4, with improvements accelerating in 2022, setting up for what CEO Jason Wild stated will be a "break out year". The PA production expansion of 60% that also includes a focus on premium flower is expected to be completed by year-end with management indicating on the call that cultivation yields have already been improving. The other major catalyst for **TER** in 2022 is the start of NJ REC sales, that include the exclusive retail agreement with "Cookies", that when combined with the GAGE acquisition in MI brings to 18 the number of **TER** dispensaries in MI and NJ that will have an exclusive sales relationship with this leading global cannabis brand. Management also noted that it will begin reporting in US GAAP beginning with its Q4 results, with **TER** now prepared for a US exchange listing when regulations allow it. We believe that the challenges are mainly behind TER at this point with higher quality flower at THC levels above 30% assisting the company at a time when PA has recently seen significant increase in demand for premium flower.

Curaleaf (CURA) announced mixed results in Q3 21 with revenue of $317 million, an increase of 2% sequentially and 74% YoY, below consensus of $331 million. Retail sales grew 1.1% QoQ while wholesale grew 3% QoQ to $92 million. The quarter included operations focussed on building market share in key state markets such as FL while also adding innovative products such as the launch of its proprietary vape system, Cliq, in AZ, CA, NV and OR, and the expansion of Select Squeeze beverage in MI, NJ and NY. Adjusted EBITDA was $71 million, a 22.5% margin, down -15% QoQ, below consensus of $92.9 million. The miss was equally driven by lower adj. gross profit with a margin of 50.5%. The company reduced its F2021 guidance, predicting its top line will be at the low end of the original $1.2-$1.3 billion range, while adjusted EBITDA margins are likely to hit 25% vs. the original guidance of 30%. Positive momentum is on the horizon as CURA has a strong northeastern presence, with NY flower, NY adult use, NJ adult use and CT adult use, PA adult use discussions as well, all taking place over the next 12-18 months.

Village Farms International (VFF) stood out in the Canadian cannabis market reporting solid Q3 results that beat expectations on both the top line and EBITDA, with a renewed appreciation from some analysts that were previously skeptical of **VFF** "being a good grower matters (i.e., low-cost, avoiding production disruptions, producing on-demand products of high potency and single strains). While Canadian competition has been forced to pivot away from the everyday low-price and resort to buying from producers such as **VFF's Pure Sun Farms**, we believe VFF continues to gain market share in both the domestic-branded and wholesale segments and will likely undercut Canadian peers in the export markets once it gets the proper permits. **VFF** is still significantly undervalued despite its industry leading results valued at 3.1x sales vs Tilray (TLRY) or Canopy Growth (WEED) trading at 15x sales. VFF revenues came in at $72.4 million, up ~3% QoQ, above consensus of $68.7 million. EBITDA contributions were generated from all segments (produce, cannabis and botanicals) with Adj. EBITDA $6.8 million, up from $1.5 million in Q2 21, and above consensus of $3.3 million driven by 48% QoQ wholesale cannabis growth and 44% gross margins ahead of the company's targeted 30-40% margin goals. This was the 12th consecutive quarter of Pure Sunfarms' generating positive adjusted EBITDA. The company has a strong cannabis business with revenues split between 66% retail with 34% wholesale, with top selling brands in ON, AB and BC and growth of 48% sequential increase in wholesale revenues in Q3. We are continuing to see growth being achieved from ongoing Ontario and Quebec retail expansion, doubling cultivation capacity in Delta BC at a time when most large LPs are reducing their footprints. VFF is also adding new U.S. CBD sales, along with U.S. optionality that provides valuation upside.

PLBY Group (PLBY) a leading leisure lifestyle company and owner of the iconic Playboy brand, that released quarterly results that significantly exceeded market expectations bidding up its shares more

than +32% on the day of the announcement. Revenue grew 67% YoY and doubled QoQ to $58.4 million, despite +$5 million in lost revenue due to COVID-19 related closures and supply chain impacts. Direct-to-consumer revenue grew 139% YoY, and licensing revenue grew 14% YoY. Adjusted EBITDA was $5.2 million. Management also highlighted style and apparel divisions, sexual wellness products, licensing plans, and partnering with creators on exclusive lines with more exciting initiatives planned for 2022.

New sources of revenue were discussed with the company's NFT initiative, innovative digital offerings with the soon-to-launched creator-led platform, CENTERFOLD a higher margin opportunity. In our October commentary we wrote that our view on **PLBY** is that equity is thinly traded and thus prone to volatility and chunky trading but that dynamic should change over the next few quarters as the company continues to execute. The current quarter shows **PLBY** has a strong revenue trajectory and stock performance tells us it is being noticed. We believe the growth runway is impressive, we continue to accumulate shares.

Options

During November the Fund continued using its options strategy to enhance risk adjusted returns. With the above average volatility in the cannabis sector, we are able to generate option premium, while lowering the overall volatility of the Fund relative to its underlying benchmark. Since inception of the option writing program in September 2018, the Fund has generated significant income from options premium of approximately **$4.06 million** of which **$0.71 million** has been earned in 2021 year to date. 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.

During the month we used our options strategy to assist in rebalancing the portfolio in favor of names we prefer while generating approximately **$42,000** 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 Pfizer Inc. (PFE). 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 **Petco Health and Wellness Company Inc. (WOOF)** and **AMN Healthcare Services (AMN)**.

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 November 30, 2021 (Series F NPP5421) | Inception Date - August 8, 2017

	MTD	YTD	3MTH	6MTH	1YR	3YR	INCEPTION(ANNUALIZED)
FUND	2.6%	-5.1%	-7.7%	-15.2%	-3.1%	4.6%	19.7%
TR CAN/US HEALTH CARE BLENDED INDEX	-6.6%	-2.6%	-14.7%	-16.4%	-9.0%	-11.2%	0.9%

Statistical Analysis

	FUND	TR CAN/US HEALTH CARE BLENDED INDEX
Cumulative Returns	117.9%	4.3%
Standard Deviation	28.5%	31.5%
Sharpe Ratio	0.6	0.1

[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 November 30, 2021. 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 • 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

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