



Ninepoint Focused Global Dividend Fund

November 2021 Commentary

Year-to-date to November 30, the Ninepoint Focused Global Dividend Fund generated a total return of 12.49% compared to the S&P Global 1200 Index, which generated a total return of 17.19%. For the month, the Fund generated a total return of 2.45% while the Index generated a total return of 1.52%.



Ninepoint Partners,

After what was setting up to be solid back-to-back months, the broad equity markets wobbled over just the last few trading days of November. Two new (but not unrelated) issues rattled investors, but we believe that the Covid-19 Omicron variant and the ensuing hawkish “Powell Pivot” will prove to be mostly noise over the balance of 2021 and into 2022. We would also note that our USD exposure served its purpose during this brief period of elevated market stress and protected our portfolios against significant drawdowns through the end of the month.

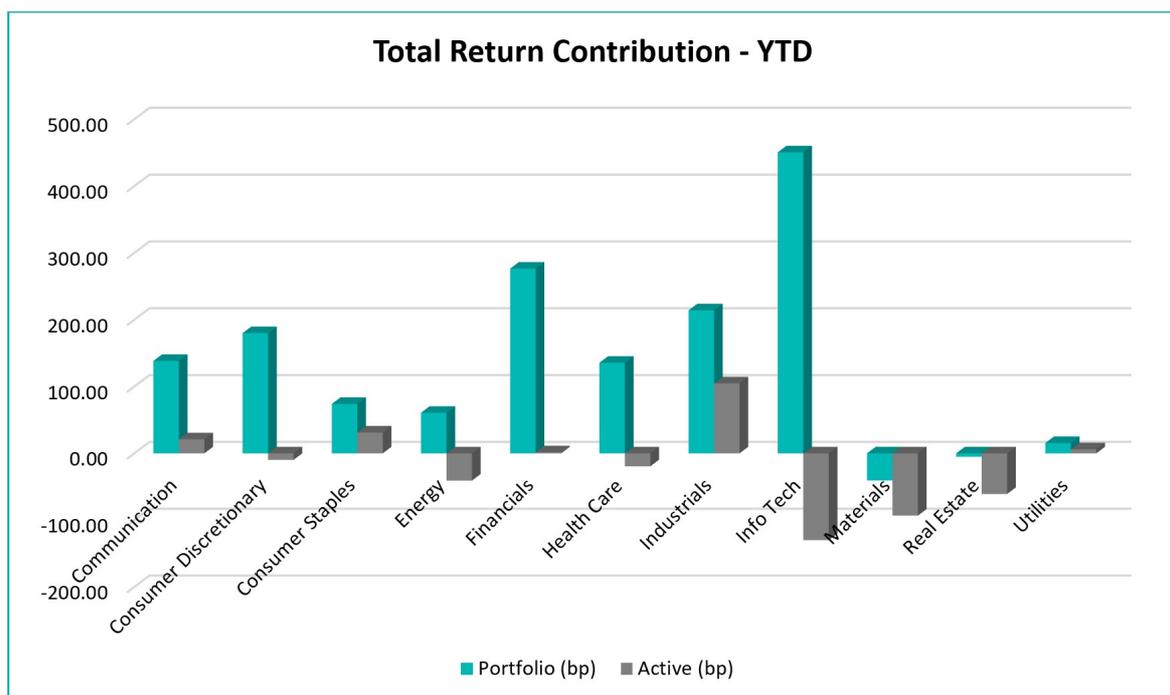
It was during the week of US Thanksgiving, a traditionally quiet period in the market, when scientists in South Africa announced the emergence of a new Covid-19 variant. With relatively low vaccination rates in the country, a jump in cases (small in absolute numbers but significant in terms of percentage increase) led to the identification of what is now known as the Omicron variant. Because of a larger number of mutations in the virus genome (relative to Delta and other previously identified variants), news reports speculated on the ability of Omicron to evade vaccines, increase infection severity and even cause a higher mortality rate. Without clear scientific data, authorities around the world implemented travel restrictions and investors panicked, selling stocks indiscriminately. Thankfully, as of the start of the second full week of December, we can report that there have been zero reported deaths attributable to the Omicron variant. We understand the need for an abundance of caution but, at this stage, Omicron will likely only pause and not derail the global economic reopening.

From a medium to longer-term perspective, the hawkish “Powell Pivot” has greater implications for earnings growth, valuation multiples and the equity markets. Now that Jerome Powell has been officially nominated for a second term as Chair of the Board of Governors of the Federal Reserve, perhaps the appointment gave him the confidence to notably shift his public views on inflation. During recent testimony before the Senate Banking Committee Powell said, “it’s probably a good time to retire that word (transitory)” and continued, “it is therefore appropriate in my view to consider wrapping up the taper of our asset purchases, which we actually announced at our November meeting, perhaps a few months sooner”. Considering that market expectations were already leaning toward a faster taper and even two to three rate hikes in 2022, we were mildly surprised by the immediate and aggressive selling in high priced, long duration assets (unprofitable tech was hit particularly hard). From our perspective, we are still comfortable with our outlook that inflation will decline (though from relatively moderate levels), and interest rates will rise (though from extremely low levels) over the next few years.

Therefore, we see no reason to change our investment positioning and have not made any dramatic changes to our portfolios. We remain positioned for the middle phase of the investment cycle, where above-average earnings, cash flow and dividend growth should be able to compensate for some degree of multiple-compression due to rising interest rates. Today, with long-term interest rates still well below 2.0% (the US 10-year Treasury bond yield is currently trading below 1.50%) and consensus earnings growth of 9% in 2022 (according to FactSet), forward earnings multiples remain within a reasonable range. Investors need to be disciplined and remain focused on the facts that vaccination rates are up, Covid-19 hospitalizations and deaths are down, and the global economy is slowly reopening. Finally, we believe that share buybacks are set to ramp up and dividend growth is set to accelerate over the next few years. Essentially, this environment bodes well for the relative performance of our dividend and real asset strategies over the medium term.

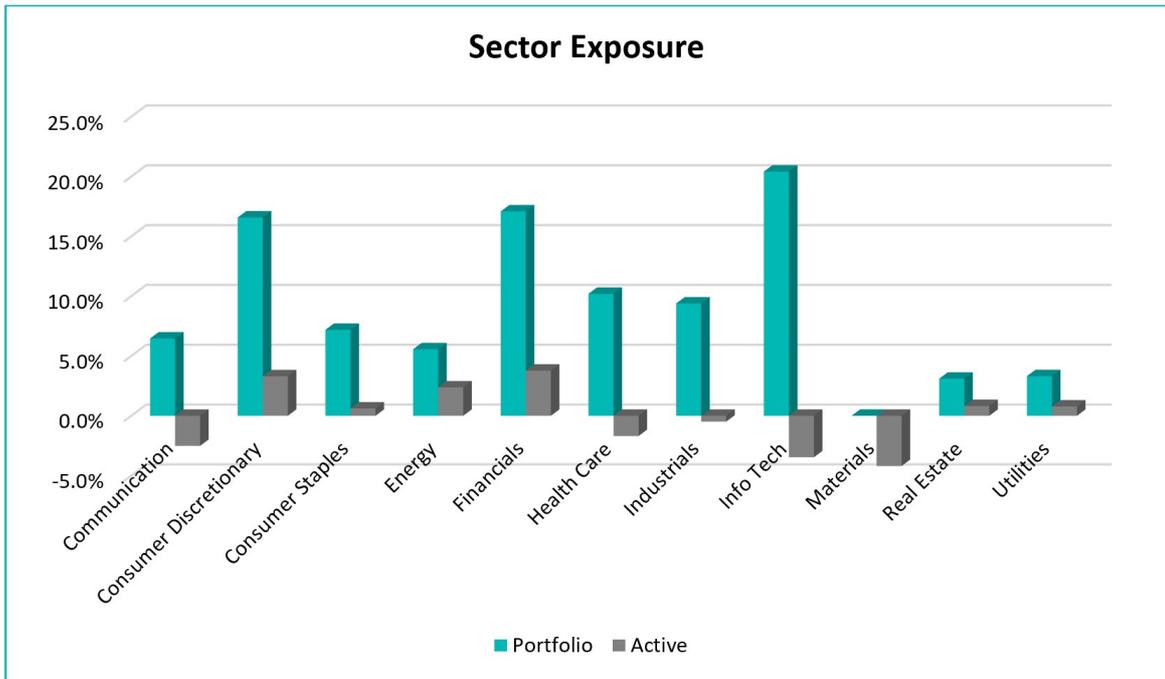
Top contributors to the year-to-date performance of the Ninepoint Focused Global Dividend Fund by sector included Information Technology (+451 bps), Financials (+277 bps) and Industrials (+214 bps) while top detractors by sector included Materials (-41 bps) and Real Estate (-5 bps) on an absolute basis.

On a relative basis, positive return contributions from the Industrials (+105 bps), Consumer Staples (+31 bps) and Communication (+21 bps) sectors were offset by negative contributions from the Information Technology (-130 bps), Materials (-93 bps) and Real Estate (-61 bps) sectors.



Source: Ninepoint Partners

We are currently slightly overweight the Financials, Consumer Discretionary and Energy sectors, while slightly underweight the Materials, Information Technology and Communication sectors. We have maintained relatively neutral sector allocations but, given our outlook, we have narrowed our focus to businesses with at least a five-year track record of dividend growth or a significant share buyback program, both important mechanisms of returning excess cash flow to shareholders.



Source: Ninepoint Partners

The Ninepoint Focused Global Dividend Fund was concentrated in 30 positions as at November 30, 2021 with the top 10 holdings accounting for approximately 39.3% of the fund. Over the prior fiscal year, 26 out of our 30 holdings have announced a dividend increase, with an average hike of 13.6% (median hike of 10.0%). We will continue to apply a disciplined investment process, balancing various quality and valuation metrics, in an effort to generate solid risk-adjusted returns.

Jeffery Sayer, CFA
 Ninepoint Partners

NINEPOINT FOCUSED GLOBAL DIVIDEND FUND- COMPOUNDED RETURNS¹ AS OF NOVEMBER 30, 2021 (SERIES F NPP 964) | INCEPTION DATE - NOVEMBER 25, 2015

	1M	YTD	3M	6M	1YR	3YR	5YR	INCEPTION
Fund	2.5%	12.5%	1.8%	7.6%	13.3%	11.2%	10.7%	8.7%
S&P Global 1200 TR (CAD)	1.5%	17.2%	0.7%	10.4%	20.4%	15.6%	13.9%	12.4%

¹ All returns and fund details are a) based on Series F shares; b) net of fees; c) annualized if period is greater than one year; d) as at November 30, 2021; e) 2015 annual returns are from 11/25/15 to 12/31/15. The index is S&P GLOBAL 1200 TR (CAD) 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: ADR risk; Capital depletion risk; Capital gains risk; Class 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; Securities lending, Repurchase and reverse repurchase transactions risk; Series risk; Short selling risk; Specific issuer 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 November 30, 2021 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.

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 LP. 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 LP 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.

The information provided is general in nature and is provided with the understanding that it may not be relied upon as, nor considered to be, the rendering of tax, legal, accounting or professional advice. Readers should consult with their own accountants and/or lawyers for advice on the specific circumstances before taking any action.

Ninepoint Partners LP: Toll Free: 1.866.299.9906. DEALER SERVICES: CIBC Mellon GSSC Record Keeping Services:
Toll Free: 1.877.358.0540