



# Ninepoint Silver Equities Class

Ninepoint Corporate Class Inc.

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2020

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The annual management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at [www.ninepoint.com](http://www.ninepoint.com) or SEDAR at [www.sedar.com](http://www.sedar.com) or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of the Ninepoint Silver Equities Class (the “Fund”) is to seek to achieve long-term capital growth by investing primarily in equity securities of companies that are directly or indirectly involved in the exploration, mining, production or distribution of silver. The Fund can also invest in silver and silver certificates.

To achieve the Fund’s investment objective, the sub-advisor will utilize fundamental analysis to seek to identify securities with superior investment opportunities that have the potential for capital appreciation over the long-term. This involves seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The Fund may also invest in silver in the form of bullion, coins and storage receipts and certificates relating to such metal when deemed appropriate by the sub-advisor.

The Fund may also:

- temporarily invest in cash or cash equivalent securities as a defensive strategy or for other reasons;
- deviate from the standard investment restrictions as the Fund has obtained exemptive relief to invest up to 20% of its net assets in silver, permitted silver certificates and/or specified derivatives of which the underlying interest is silver;
- invest in Commodity exchange-traded funds (ETFs) and in aggregate, up to 10% of its net assets in underlying ETFs as measured at the time of investment;
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by the securities regulations;
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies.

Sprott Asset Management LP is the sub-advisor of the Fund.

### Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for investors who want exposure to the capital appreciation potential of silver and equity securities of companies that are involved in the exploration, mining, production or distribution of silver. This Fund is suitable for investors with a high investment risk tolerance and have a long-term investment horizon. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the year.

### Results of Operations and Recent Developments

The Fund, Series A returned 71.0% in 2020, while its benchmark, the MSCI ACWI Select Silver Miners IMI Net Return Index, returned 53.1%.

As COVID-19 spread during the period, public health measures essentially shut down the global economy, leading to negative growth and high unemployment. Most major assets sold off as market participants sought liquidity, leading to a liquidity crunch.

Central banks around the world cut interest rates and supported their economies with fiscal and monetary stimulus. Real interest rates and the U.S. dollar declined.

Silver sold off with other assets in March, but recovered strongly to end the year up 47.9%. The combination of equity market volatility, low interest rates and easy monetary policy were all positive for silver, despite the slowdown in industrial demand.

The Fund was fully invested during the period in companies exploring for and producing silver, with an increasing emphasis on exploration-stage companies. Participation in private equity placements and secondary equity issuance contributed to the Fund’s performance, as did holdings in companies with smaller market capitalizations.

At the individual security level, top contributors to the Fund’s performance included Wheaton Precious Metals Corp., Discovery Metals Corp. and GoGold Resources Inc.

Wheaton, the largest holding in the Fund for much of the period, is one of the largest precious metals streaming companies in the world. It currently has streaming agreements for 20 operating mines and nine development-stage projects. A portfolio of low-cost, long-life assets drives its production profile.

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Discovery Metals offers exceptional leverage to the price of silver through its 100%-owned Cordero project, one of the world's largest undeveloped silver resources. Cordero is located in Chihuahua state in northern Mexico. Discovery is currently advancing Cordero with the objective of defining a high-margin project with scale that retains high leverage to silver prices.

Mexico-based GoGold is focused on exploring and developing its Los Ricos property, which is located in Jalisco State. The company published a resource estimate on Los Ricos South in July and has since drilled other areas of the property. GoGold also operates Parral, a tailings reprocessing project in Chihuahua. Free cash flow from Parral has been funding GoGold's exploration activities.

Top individual detractors from the Fund's performance included Compañía de Minas Buenaventura SAA and First Majestic Silver Corp.

Buenaventura is a Peruvian precious metals producer with over 66 years of experience in exploration, development, construction and mining operations. Buenaventura underperformed in response to operational challenges, some of which were related to the pandemic. At the end of the year, the company received a large bill for taxes owing on losses from unwinding a gold hedge in 2007–8.

First Majestic operates silver mines in Mexico. The share price was pressured when the company had to shut down its mines for a number of weeks due to COVID-19. First Majestic has also been in dispute with the Mexican tax authorities in connection with the 2012 advance pricing agreement (APA) granted to its San Dimas mine.

The Fund's net asset value increased by 98.4% during the year, from \$140.2 million as at December 31, 2019 to \$278.1 million as at December 31, 2020. This change was predominantly due to net realized and unrealized gains on investments of \$110.3 million and net subscriptions of \$35.3 million, offset by expenses of \$8.0 million.

## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of 2.50% for Series A shares, 2.00% for Series D shares, 1.50% for Series F shares, 1.50% for ETF Series shares and as negotiated by the shareholders of Series I. The management fee is calculated and accrued daily based on daily net asset value of that series of the Fund, and is paid monthly. For the year ended December 31, 2020, the Fund incurred management fees of \$4,415,365 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Silver Equities Class – Series A	60%	40%
Ninepoint Silver Equities Class – Series D	75%	25%
Ninepoint Silver Equities Class – Series F	100%	–
Ninepoint Silver Equities Class – ETF Series	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$193,779 during the year ended December 31, 2020, to Sightline Wealth Management, an affiliate of the manager.

### INCENTIVE FEES

The Fund also pays the Manager an annual incentive fee, equal to a percentage of the average net asset value of the applicable Series of the Fund. Such percentage will be equal to 10% of the difference by which the return in net asset value per share of the applicable Series from launch date to December 31 exceeds the percentage return of the benchmark which is the MSCI ACWI Select Silver Miners IMI Net Return Index, for the same period. If the performance of a Series of the Fund in any year is less than the performance of the Index (the "Deficiency"), then no incentive fee will be payable until the performance of the applicable Series, on a cumulative basis, has exceeded the amount of the Deficiency. For the year ended December 31, 2020, the Fund accrued \$2,261,305 in incentive fees.

### OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as shareholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions can be terminated at any time without notice. For the year ended December 31, 2020, the Manager absorbed \$423 of the expenses.

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## OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund's Independent Review Committee with respect to any related party transactions.

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## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Share<sup>1</sup>

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	6.61	4.60	5.61	6.41	3.35
<b>Increase (decrease) from operations:</b>					
Total revenue	0.05	0.04	0.04	0.03	0.03
Total expenses	(0.38)	(0.18)	(0.21)	(0.36)	(0.45)
Realized gains (losses) for the period	2.22	0.32	(0.68)	(0.72)	2.42
Unrealized gains (losses) for the period	2.76	1.83	(0.19)	0.23	(0.68)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>4.65</b>	<b>2.01</b>	<b>(1.04)</b>	<b>(0.82)</b>	<b>1.32</b>
<b>Distributions:</b>					
Dividend distributions	0.02	0.02	–	0.02	0.01
<b>Total distributions<sup>3</sup></b>	<b>0.02</b>	<b>0.02</b>	<b>–</b>	<b>0.02</b>	<b>0.01</b>
<b>Net assets, end of period</b>	<b>11.29</b>	<b>6.61</b>	<b>4.60</b>	<b>5.61</b>	<b>6.41</b>

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 <sup>4</sup>
Series D	\$	\$	\$
Net assets, beginning of period	12.06	8.47	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.11	0.16	0.04
Total expenses	(0.84)	(0.49)	(0.17)
Realized gains (losses) for the period	4.38	2.53	(1.25)
Unrealized gains (losses) for the period	0.05	1.35	0.39
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>3.70</b>	<b>3.55</b>	<b>(0.99)</b>
<b>Distributions:</b>			
Dividend distributions	0.03	0.03	–
<b>Total distributions<sup>3</sup></b>	<b>0.03</b>	<b>0.03</b>	<b>–</b>
<b>Net assets, end of period</b>	<b>20.51</b>	<b>12.06</b>	<b>8.47</b>

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	7.15	4.91	5.94	6.71	3.48
<b>Increase (decrease) from operations:</b>					
Total revenue	0.05	0.04	0.05	0.03	0.03
Total expenses	(0.37)	(0.13)	(0.15)	(0.24)	(0.37)
Realized gains (losses) for the period	2.41	0.40	(0.73)	(0.76)	2.39
Unrealized gains (losses) for the period	3.06	2.18	(0.32)	0.17	0.51
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>5.15</b>	<b>2.49</b>	<b>(1.15)</b>	<b>(0.80)</b>	<b>2.56</b>
<b>Distributions:</b>					
Dividend distributions	0.02	0.02	–	0.02	0.01
<b>Total distributions<sup>3</sup></b>	<b>0.02</b>	<b>0.02</b>	<b>–</b>	<b>0.02</b>	<b>0.01</b>
<b>Net assets, end of period</b>	<b>12.27</b>	<b>7.15</b>	<b>4.91</b>	<b>5.94</b>	<b>6.71</b>

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	<b>Dec 31, 2020<sup>5</sup></b>
ETF Series	<b>\$</b>
Net assets, beginning of period	–
<b>Increase (decrease) from operations:</b>	
Total revenue	<b>0.03</b>
Total expenses	<b>(0.20)</b>
Realized gains (losses) for the period	<b>(0.14)</b>
Unrealized gains (losses) for the period	<b>2.87</b>
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>2.56</b>
<b>Distributions:</b>	
Dividend distributions	<b>0.03</b>
<b>Total distributions<sup>3</sup></b>	<b>0.03</b>
<b>Net assets, end of period</b>	<b>22.53</b>

1 This information is derived from the Fund's audited annual financial statements.

2 The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. Net assets and distributions are based on the actual number of shares outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per share.

3 Distributions were made in cash.

4 Information provided is for the period June 11, 2018 (first issuance) to December 31, 2018 for Series D.

5 Information provided is for the period November 18, 2020 (first issuance) to December 31, 2020 for ETF Series.

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## Ratios and Supplemental Data

Series A	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) <sup>1</sup>	\$129,333	\$73,360	\$52,165	\$60,276	\$59,977
Number of shares outstanding <sup>1</sup>	11,458,092	11,094,136	11,347,604	10,744,359	9,363,501
Management expense ratio <sup>2</sup>	3.97%	3.06%	2.98%	2.95%	3.36%
Management expense ratio before waivers or absorptions <sup>2</sup>	3.97%	3.06%	2.98%	2.95%	3.36%
Management expense ratio before incentive fees <sup>2</sup>	2.87%	3.06%	2.98%	2.95%	3.00%
Trading expense ratio <sup>3</sup>	0.51%	0.32%	1.07%	2.29%	2.99%
Portfolio turnover rate <sup>4</sup>	103.27%	64.98%	168.54%	328.07%	380.69%
Net asset value per share <sup>1</sup>	\$11.29	\$6.61	\$4.60	\$5.61	\$6.41

Series D	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) <sup>1</sup>	\$4,765	\$407	\$102
Number of shares outstanding <sup>1</sup>	232,357	33,733	12,104
Management expense ratio <sup>2</sup>	4.34%	4.63%	2.67%
Management expense ratio before waivers or absorptions <sup>2</sup>	4.34%	4.63%	2.67%
Management expense ratio before incentive fees <sup>2</sup>	2.32%	2.59%	2.67%
Trading expense ratio <sup>3</sup>	0.51%	0.32%	1.07%
Portfolio turnover rate <sup>4</sup>	103.27%	64.98%	168.54%
Net asset value per share <sup>1</sup>	\$20.51	\$12.06	\$8.47

Series F	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) <sup>1</sup>	\$139,525	\$66,443	\$34,195	\$52,636	\$68,142
Number of shares outstanding <sup>1</sup>	11,374,785	9,299,006	6,958,271	8,866,245	10,156,365
Management expense ratio <sup>2</sup>	3.44%	2.00%	1.98%	1.91%	2.80%
Management expense ratio before waivers or absorptions <sup>2</sup>	3.44%	2.00%	1.98%	1.91%	2.80%
Management expense ratio before incentive fees <sup>2</sup>	1.83%	2.00%	1.98%	1.91%	1.94%
Trading expense ratio <sup>3</sup>	0.51%	0.32%	1.07%	2.29%	2.99%
Portfolio turnover rate <sup>4</sup>	103.27%	64.98%	168.54%	328.07%	380.69%
Net asset value per share <sup>1</sup>	\$12.27	\$7.15	\$4.91	\$5.94	\$6.71

ETF Series	Dec 31, 2020
Total net asset value (000s) <sup>1</sup>	\$4,506
Number of shares outstanding <sup>1</sup>	200,000
Management expense ratio <sup>2</sup>	4.17%
Management expense ratio before waivers or absorptions <sup>2</sup>	4.18%
Management expense ratio before incentive fees <sup>2</sup>	1.84%
Trading expense ratio <sup>3</sup>	0.51%
Portfolio turnover rate <sup>4</sup>	103.27%
Net asset value per share <sup>1</sup>	\$22.53

1 This information is provided as at December 31 for the years shown.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

3 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.

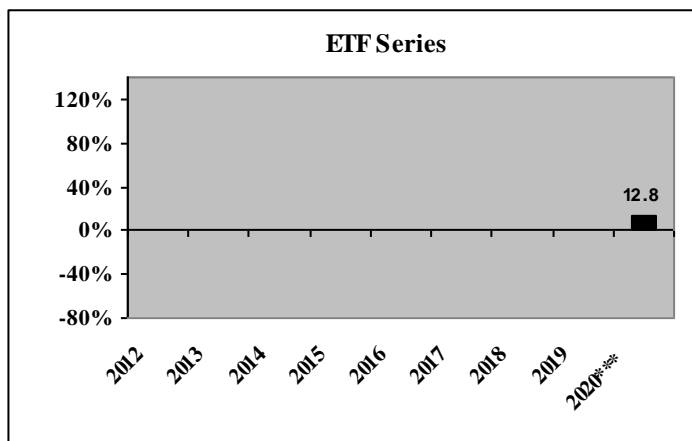
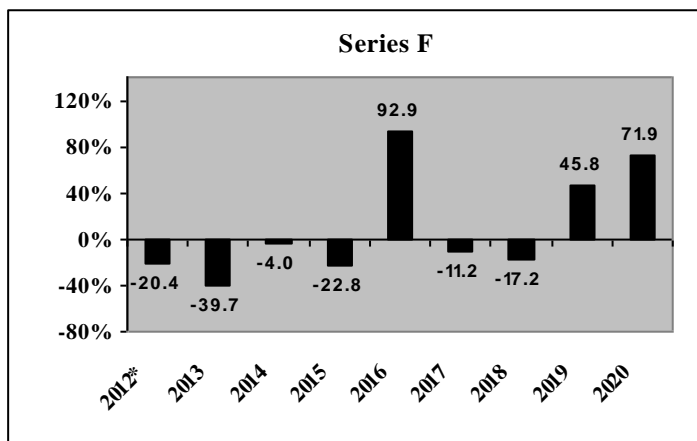
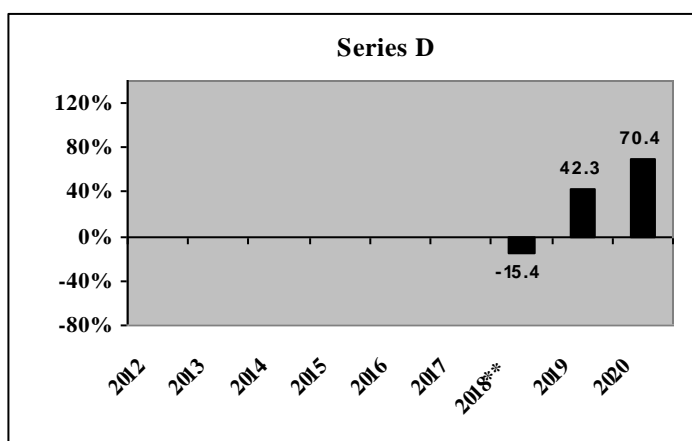
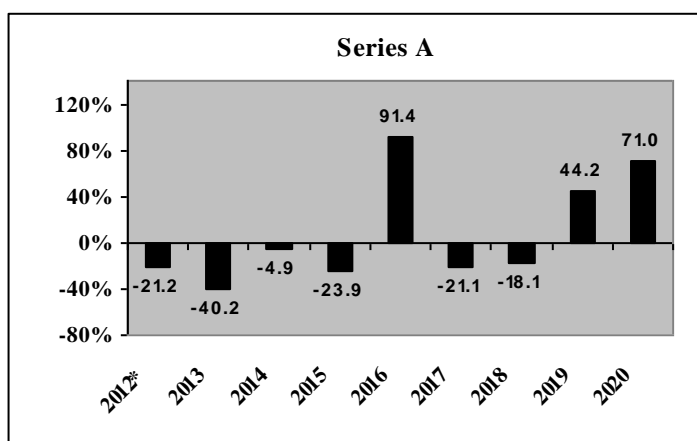
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

## Past Performance

The indicated rates of return are the historical total returns including changes in share values and assume reinvestment of all distributions in additional shares of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of returns are calculated based on the Net Asset Value of the particular Series of the Fund.

### Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding shares as at the end of the period.



\* Return from February 28, 2012 (launch date) to December 31, 2012 for Series A and Series F (not annualized).

\*\* Return from June 11, 2018 (first issuance) to December 31, 2018 for Series D (not annualized).

\*\*\* Return from November 18, 2020 (first issuance) to December 31, 2020 for ETF Series (not annualized).

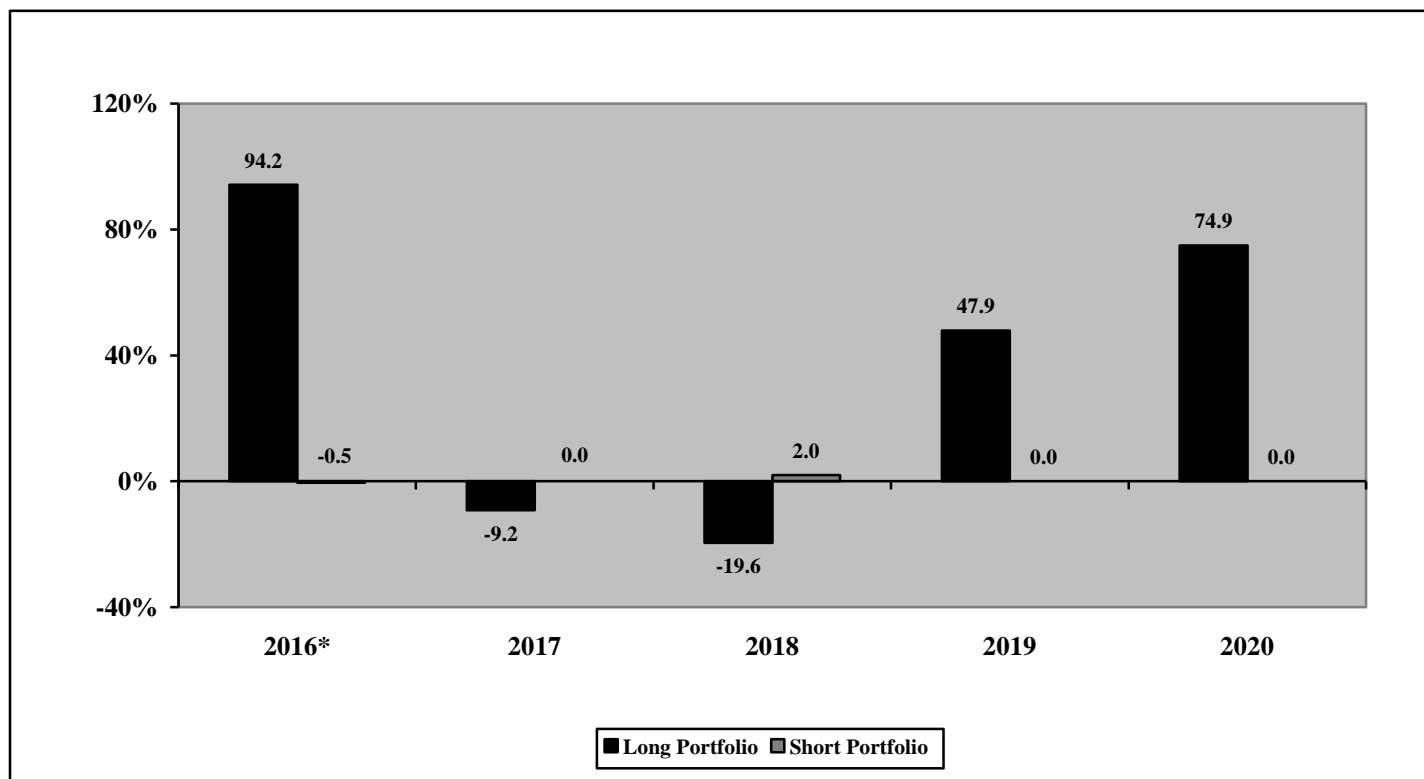


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## Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund by the long portfolio and the short portfolio of the Fund (before the impact of Fund expenses) for the years ended December 31 shown, unless otherwise indicated. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



\* The Fund did not hold short portfolio positions prior to 2016.

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## Annual Compound Returns

The following table illustrates the annual compound total return for each Series of shares of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of the MSCI ACWI Select Silver Miners IMI Net Return Index (the “Index”). The index measures the equity performance of companies in both developed and emerging markets that derive the majority of their revenues from silver mining. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Index, the performance of the Fund is not expected to equal the performance of the Index.

	1-Year	3-Year	5-Year	Since Inception*
Ninepoint Silver Equities Class – Series A	71.0%	26.4%	27.7%	1.7%
MSCI ACWI Select Silver Miners IMI Net Return Index	53.1%	19.3%	24.9%	-0.4%
Ninepoint Silver Equities Class – Series D	70.4%	–	–	32.6%
MSCI ACWI Select Silver Miners IMI Net Return Index	53.1%	–	–	22.7%
Ninepoint Silver Equities Class – Series F	71.9%	27.5%	28.9%	2.7%
MSCI ACWI Select Silver Miners IMI Net Return Index	53.1%	19.3%	24.9%	-0.4%
Ninepoint Silver Equities Class – ETF Series	–	–	–	12.8%
MSCI ACWI Select Silver Miners IMI Net Return Index	–	–	–	6.4%
Long portfolio	74.9%	27.6%	29.7%	
Short portfolio	0.0%	0.7%	0.3%	

\* Since launch date of February 28, 2012 for Series A and F, June 11, 2018 for Series D, and November 18, 2020 for ETF Series.

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## Summary of Investment Portfolio

As at December 31, 2020

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Silver and other metals	96.9
<u>Total Long Positions</u>	<u>96.9</u>
Cash	3.7
Other Net Liabilities	(0.6)
<u>Total Net Asset Value</u>	<u>100.0</u>

### Top 25 Long Positions

Issuer	% of Net Asset Value
Pan American Silver Corporation	8.6
GoGold Resources Inc.	7.0
SSR Mining Inc.	5.2
Hecla Mining Company	5.2
Coeur Mining Inc.	5.0
Discovery Metals Corporation	4.5
Fortuna Silver Mines Inc.	4.1
Cash	3.7
SilverCrest Metals Inc	3.7
MAG Silver Corporation.	3.7
First Majestic Silver Corporation	3.2
Newmont Corporation	3.0
Dolly Varden Silver Corporation	2.8
Dundee Precious Metals Inc.	2.5
GR Silver Mining Limited	2.3
Industrias Penoles SAB de CV	2.3
Kootenay Silver Inc.	2.3
Eldorado Gold Corporation	2.2
Hochschild Mining PLC	2.1
Reyna Silver Corporation	2.1
New Gold Inc.	2.0
Summa Silver Corporation	1.7
Kinross Gold Corporation	1.6
Silvercorp Metals Inc.	1.5
Seabridge Gold Inc.	1.5
<u>Total 25 long positions as a percentage of Net Asset Value</u>	<u>83.8</u>

The Fund held no short positions as at December 31, 2020.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at [www.ninepoint.com](http://www.ninepoint.com).

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## Corporate Information

### Corporate Address

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For additional information visit our website:  
[www.ninepoint.com](http://www.ninepoint.com)  
Call our mutual fund information line for daily closing prices:  
416.362.7172 or 1.888.362.7172

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