

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

PROSPECTUS

Continuous Offering

July 14, 2023

NINEPOINT WEB3 INNOVATORS FUND

Managed by Ninepoint Partners LP



Ninepoint Web3 Innovators Fund (“Ninepoint Web3 Innovators Fund”) invests in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet. Given the speculative nature of such investments and the volatility of markets for such investments, there is considerable risk that Ninepoint Web3 Innovators Fund will not be able to meet its investment objectives. An investment in Ninepoint Web3 Innovators Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in Ninepoint Web3 Innovators Fund is considered high risk.

This prospectus qualifies the distribution of units (“**ETF Units**”) of Ninepoint Web3 Innovators Fund, an alternative mutual fund trust within the meaning of National Instrument 81-102 - *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Web3 Innovators Fund was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario and was converted into an exchange-traded fund as of May 6, 2021 (the “**Conversion**”). On April 20, 2023, holders of ETF Units (“**Unitholders**”) approved, among other things, changes from Ninepoint Web3 Innovators Fund’s then existing investment objects to the current investment objectives (the “**Investment Objectives Change**”). The Investment Objectives Change became effective on May 31, 2023. In connection with the Investment Objectives Change, Ninepoint Web3 Innovators Fund changed its name from “Ninepoint Bitcoin ETF” to “Ninepoint Web3 Innovators Fund”.

Ninepoint Web3 Innovators Fund has the ability to invest in asset classes and use investment strategies that are not permitted for conventional mutual funds. While these strategies will be used in accordance with Ninepoint Web3 Innovators Fund’s investment objective and strategies, during certain market conditions, they may accelerate the pace at which your investment decreases in value. Ninepoint Web3 Innovators Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. The ETF Units are purchased and sold in Canadian dollars and U.S. dollars.

Ninepoint Partners LP (the “**Manager**”) is the trustee and manager of Ninepoint Web3 Innovators Fund and is responsible for providing certain general management and administrative services to Ninepoint Web3 Innovators Fund. See “*Organization and Management Details – The Trustee, Manager and Promoter*”.

Ninepoint Web3 Innovators Fund’s investment objectives are to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that

give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (“**Web3**”). See “*Investment Objectives*”.

Ninepoint Web3 Innovators Fund seeks to achieve its investment objective by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries. See “*Investment Strategies*”.

Ninepoint Web3 Innovators Fund indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs. See “*Investment Strategies*”.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation. See “*Investment Strategies*”.

Purchase and Listing of Units

The ETF Units are listed for trading on the Toronto Stock Exchange (the “**TSX**”) and offered on a continuous basis. The TSX ticker symbols for the ETF Units are “TKN” (in Canadian dollars) and “TKN.U” (in U.S. dollars). Investors are able to buy or sell ETF Units through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling the ETF Units. See “*Purchases of Units – Buying and Selling Units*”.

Additional Considerations

No Authorized Dealer (as defined herein) has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.

The ETF Units are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in Ninepoint Web3 Innovators Fund. The risk of loss in buying, holding and selling securities of companies that give exposure to emerging technologies can be substantial. In considering whether to invest in Ninepoint Web3 Innovators Fund, you should be aware that an investment in securities of companies that give exposure to emerging technologies can quickly lead to large losses as well as gains. Such investment losses can sharply reduce the net asset value of Ninepoint Web3 Innovators Fund and consequently the value of your interest in Ninepoint Web3 Innovators Fund. Also, market conditions may make it difficult or impossible for Ninepoint Web3 Innovators Fund to liquidate a position.

For a discussion of the risks associated with an investment in ETF Units, see “*Risk Factors*”.

In the opinion of McCarthy Tétrault LLP, provided that Ninepoint Web3 Innovators Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the “**Tax Act**”), or the ETF Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which includes the TSX), the ETF Units will be qualified investments for a trust governed by a Registered Plan (as defined herein).

Registration of interests in, and transfers of, the ETF Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Additional information about Ninepoint Web3 Innovators Fund is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for Ninepoint Web3 Innovators Fund. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. See “*Documents Incorporated by Reference*”.

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GLOSSARY OF TERMS

Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.

“**Administrator**” means the company appointed from time to time by the Manager to calculate the Net Asset Value of Ninepoint Web3 Innovators Fund and the Net Asset Value per Unit, currently CIBC Mellon Global Securities Services Company.

“**Bitcoin Trust**” means the closed-end investment fund managed by Ninepoint Partners LP that converted into Ninepoint Web3 Innovators Fund pursuant to the Conversion.

“**Canadian securities legislation**” means the applicable securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities.

“**CDS**” means CDS Clearing and Depository Services Inc. and includes any successor corporation or any other depository subsequently appointed by Ninepoint Web3 Innovators Fund as the depository in respect of the ETF Units.

“**CDS Participant**” means a broker, dealer, bank or other financial institution or other person for whom, from time to time, CDS effects book entries for the ETF Units deposited with CDS.

“**Conversion**” or “**the Conversion**” means the conversion of Bitcoin Trust from a closed-end investment fund into Ninepoint Web3 Innovators Fund, an exchange-traded fund, as of May 6, 2021, as approved by unitholders.

“**CRA**” means the Canada Revenue Agency.

“**CRS Rules**” has the meaning given to it under “*International Information Reporting*”.

“**Custodian**” means CIBC Mellon Trust Company or its successor, in its capacity as custodian under the Custodian Agreement.

“**Custodian Agreement**” means the custodian agreement dated April 16, 2018 between the Manager on behalf of Ninepoint Web3 Innovators Fund and the Custodian, as it may be amended from time to time.

“**Dealer**” means a registered dealer (that may or may not be the Designated Broker) that has entered into a Dealer Agreement with the Manager, on behalf of Ninepoint Web3 Innovators Fund, pursuant to which the Dealer may subscribe for ETF Units as described under “*Purchases of Units – Issuance of Units To the Designated Broker and Dealers*”).

“**Dealer Agreement**” means an agreement between the Manager, on behalf of Ninepoint Web3 Innovators Fund, and a Dealer, as amended from time to time.

“**Declaration of Trust**” means the master declaration of trust dated May 6, 2021, as amended and restated on January 5, 2022, as further amended and restated on May 31, 2023, and as it may be further amended from time to time.

“**Designated Broker**” means a registered dealer that has entered into a Designated Broker Agreement with the Manager, on behalf of Ninepoint Web3 Innovators Fund pursuant to which the Designated Broker agrees to perform certain duties in relation to Ninepoint Web3 Innovators Fund.

“**Designated Broker Agreement**” means an agreement between the Manager, on behalf of Ninepoint Web3 Innovators Fund, and a Designated Broker, as amended from time to time.

“**ETF**” means an exchange traded fund.

“**ETF Unit**” means a redeemable, transferable ETF Unit, which represents an equal (with all ETF Units of the same class), undivided interest in the net assets of Ninepoint Web3 Innovators Fund.

“**Extraordinary Resolution**” means a resolution passed by the affirmative vote of at least two-thirds of the votes cast, either in person, virtually, or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**FHSA**” means first home savings account as defined in the Tax Act.

“**IFRS**” means International Financial Reporting Standards as published by the International Accounting Standards Board and adopted in Canada, as amended from time to time.

“**Investment Objectives Change**” means the change of Ninepoint Web3 Innovators Fund’s investment objectives, effective May 31, 2023, as approved by Unitholders.

“**IRC**” means the independent review committee of Ninepoint Web3 Innovators Fund.

“**Management Fee**” has the meaning given to it under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Web3 Innovators Fund – Fees Payable to the Manager for Acting as Manager of Ninepoint Web3 Innovators Fund*”.

“**Management Fee Distributions**” has the meaning given to it under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Web3 Innovators Fund – Management Fees*”.

“**Manager**” means Ninepoint Partners LP, the trustee, manager and promoter of Ninepoint Web3 Innovators Fund, and, if applicable, its successor.

“**MER**” means management expense ratio.

“**MRFPP**” means management report of fund performance.

“**NAV**” and “**NAV per Unit**” mean the net asset value of Ninepoint Web3 Innovators Fund and the net asset value per ETF Unit, calculated by the Administrator as described under “*Calculation of Net Asset Value*”.

“**NI 81-102**” means National Instrument 81-102 – *Investment Funds*.

“**NI 81-107**” means National Instrument 81-107 – *Independent Review Committee for Investment Funds*.

“**Ordinary Resolution**” means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person, virtually, or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

“**Permitted Merger**” has the meaning given to it under “*Unitholder Matters – Matters Requiring Unitholder Approval*”.

“**Prescribed Number of Units**” means the number of ETF Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**RDSP**” means registered disability savings plan as defined in the Tax Act.

“**Redemption Fee**” has the meaning given to it under “*Fees and Expenses – Redemption Fee*”.

“**Registered Plan**” means an RRSP, RRIF, DPSP, RDSP, RESP, TFSA or FHSA.

“**Registrar and Transfer Agent**” means TSX Trust Company or, if applicable, its successor or any other registrar and transfer agent that may be appointed by the Manager from time to time.

“**RESP**” means registered education savings plan as defined in the Tax Act.

“**RRIF**” means registered retirement income fund as defined in the Tax Act.

“**RRSP**” means registered retirement savings plan as defined in the Tax Act.

“**securities regulatory authorities**” means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

“**SEDAR**” means System for Electronic Document Analysis and Retrieval.

“**SIFT**” means a specified investment flow-through trust or partnership as defined in the Tax Act.

“**SIFT Rules**” means the provisions of the Tax Act, including those contained in sections 104, 122 and 122.1 of the Tax Act, which apply to the taxation of a “specified investment flow through trust” and its unitholders.

“**SIFT trust**” means a specified investment flow-through trust for the purposes of the Tax Act.

“**substituted property**” has the meaning given to it under “*Canadian Federal Income Tax Considerations – Taxation of Ninepoint Web3 Innovators Fund*”.

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“**Tax Proposals**” means all specific proposals to amend the Tax Act or Excise Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

“**TER**” means trading expense ratio.

“**TFSA**” means tax-free savings account as defined in the Tax Act.

“**Trading Day**” means a day on which: (i) a regular session of the TSX is held; and (ii) the primary market or exchange for the majority of the assets held by Ninepoint Web3 Innovators Fund is open for trading.

“**TSX**” means the Toronto Stock Exchange.

“**United States**” or “**U.S.**” means the United States of America.

“**Unitholder**” means a holder of ETF Units.

“**Valuation Date**” means each Trading Day and any other day designated by the Manager on which the NAV and NAV per ETF Unit will be calculated. If Ninepoint Web3 Innovators Fund elects to have a December 15 year-end for tax purposes as permitted by the Tax Act, the NAV per Unit will be calculated on December 15.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the ETF Units and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.

Issuer: Ninepoint Web3 Innovators Fund (“**Ninepoint Web3 Innovators Fund**”) is an alternative mutual fund trust within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Web3 Innovators Fund was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario and was converted into an exchange-traded fund as of May 6, 2021 (the “**Conversion**”). On April 20, 2023, Unitholders approved, among other things, changes from Ninepoint Web3 Innovators Fund’s then existing investment objectives to the current investment objectives (the “**Investment Objectives Change**”). The Investment Objectives Change became effective on May 31, 2023. In connection with the Investment Objectives Change, Ninepoint Web3 Innovators Fund changed its name from “Ninepoint Bitcoin ETF” to “Ninepoint Web3 Innovators Fund”.

While Ninepoint Web3 Innovators Fund is a mutual fund under the securities legislation of each of the Provinces and Territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to Ninepoint Web3 Innovators Fund because Ninepoint Web3 Innovators Fund is an “alternative mutual fund” within the meaning of NI 81-102. Ninepoint Web3 Innovators Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Ninepoint Partners LP is the trustee, manager and promoter of Ninepoint Web3 Innovators Fund. See “*Overview of the Legal Structure of Ninepoint Web3 Innovators Fund*”.

Offering: Ninepoint Web3 Innovators Fund is offering one class of units (the “**ETF Units**” and each an “**ETF Unit**”). The ETF Units are purchased and sold in Canadian dollars and U.S. dollars.

Continuous Distribution: ETF Units are being issued and sold on a continuous basis and there is no maximum number of ETF Units that may be issued. Investors may incur customary brokerage commissions in buying or selling ETF Units.

Ninepoint Web3 Innovators Fund issues ETF Units directly to its Designated Broker (as defined herein) and Dealers (as defined herein). See “*Purchases of Units – Offerings and Continuous Distribution*” and “*Purchases of Units – Buying and Selling Units*”.

Investment Objectives: Ninepoint Web3 Innovators Fund’s investment objectives are to seek to provide holders of ETF Units (“**Unitholders**”) with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet. See “*Investment Objectives*”.

Investment Strategies: Ninepoint Web3 Innovators Fund seeks to achieve its investment objectives by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries.

Ninepoint Web3 Innovators Fund indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation.

See “*Investment Strategies*”.

Special Considerations for Purchasers:

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Units. In addition, Ninepoint Web3 Innovators Fund has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the ETF Units through purchases on a stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the ETF Units at any meeting of Unitholders.

Distributions:

Ninepoint Web3 Innovators Fund does not intend to pay regular distributions to Unitholders.

On an annual basis, Ninepoint Web3 Innovators Fund will ensure that its income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that Ninepoint Web3 Innovators Fund will not be liable for ordinary income tax thereon. To the extent that Ninepoint Web3 Innovators Fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by Ninepoint Web3 Innovators Fund will be paid as a “reinvested distribution”. Reinvested distributions by Ninepoint Web3 Innovators Fund, net of any required withholding taxes, will be reinvested automatically in additional ETF Units at a price equal to the NAV per Unit and the ETF Units will be immediately consolidated such that the number of outstanding ETF Units following the distribution will equal the number of ETF Units outstanding prior to the distribution except to the extent that tax was required to be withheld from the distribution in respect of non-resident Unitholders.

In addition to the distributions described above, Ninepoint Web3 Innovators Fund may from time to time pay additional distributions on its ETF Units, including without restriction in connection with a special distribution or in connection with returns of capital.

See “*Distribution Policy*”.

Exchanges and Redemptions:

Unitholders may redeem ETF Units for cash, subject to a redemption discount. Unitholders may also exchange a Prescribed Number of Units (or integral multiple thereof) for cash. See “*Redemption and Exchange of Units*”.

Termination:

Ninepoint Web3 Innovators Fund does not have a fixed termination date but may be terminated by the Manager upon not less than 60 days’ written notice to Unitholders. See “*Termination of Ninepoint Web3 Innovators Fund*”.

Documents Incorporated by Reference:

Additional information about Ninepoint Web3 Innovators Fund is or will be available in the most recently-filed annual financial statements, any interim financial statements filed after the most recent annual financial statements, the most recently-filed annual MRFP, any interim MRFP filed after the most recently-filed annual MRFP and the most recently-filed ETF Facts for Ninepoint Web3 Innovators Fund. These documents are or will be incorporated by reference into, and legally form an integral part of, this prospectus. These documents are or will be publicly available on Ninepoint Web3 Innovators Fund’s website at www.ninepoint.com and may be obtained upon request, at no cost, by calling (416) 362-7172 or by contacting a registered dealer. These documents and other information about Ninepoint Web3 Innovators Fund are or will be publicly available at www.sedar.com. See “*Documents Incorporated by Reference*”.

Risk Factors:

There are certain risks inherent in an investment in Ninepoint Web3 Innovators Fund, including:

Risk Factors Relating to an Investment in Ninepoint Web3 Innovators Fund

- (a) No Assurance in Achieving Investment Objectives
- (b) Loss of Investment

- (c) Active Management Risk
- (d) Concentration Risk
- (e) Asset Class Risk
- (f) Blockchain Risk
- (g) Cryptocurrency Risk
- (h) Disruptive Innovation Risk
- (i) Emerging Technologies Risk
- (j) Communication Services Companies Risk
- (k) Information Technology Companies Risk
- (l) Liquidity Risk
- (m) Equity Securities Risk
- (n) General Risks of Foreign Investments
- (o) Trading Price of ETF Units
- (p) Cease Trading of Securities Held by Ninepoint Web3 Innovators Fund Risk
- (q) Small Company Risk
- (r) Specific Issuer Risk
- (s) Trading Price of Underlying Funds Risk
- (t) Derivative Instrument Risk
- (u) Securities Lending Risk
- (v) Reliance on the Manager
- (w) Manager and Custodian Standard of Care
- (x) Potential Conflicts of Interest
- (y) Valuation of Ninepoint Web3 Innovators Fund
- (z) Currency Risk
- (aa) U.S. Currency Exposure
- (bb) Substantial Securityholder Risk
- (cc) No Ownership Interest in the Portfolio

- (dd) Changes in Legislation
- (ee) Inflation Risk
- (ff) Not a Trust Company
- (gg) Cyber Security Risk
- (hh) COVID-19 Outbreak
- (ii) Tax Risks

**Canadian
Federal Income
Tax
Considerations:**

This summary of Canadian federal income tax considerations for Ninepoint Web3 Innovators Fund and for Canadian resident Unitholders is subject in its entirety to the qualifications, limitations and assumptions set out under “*Canadian Federal Income Tax Considerations*”.

A Unitholder who is an individual (other than a trust) resident in Canada and who holds ETF Units as capital property (all within the meaning of the Tax Act) will generally be required to include in the Unitholder’s income for tax purposes for any year the amount of net income and net taxable capital gains of Ninepoint Web3 Innovators Fund paid or payable to the Unitholder (including any reinvested distributions) in the year. Any non-taxable distributions from Ninepoint Web3 Innovators Fund (other than the non-taxable portion of any net realized capital gains of Ninepoint Web3 Innovators Fund) paid or payable to a Unitholder in a taxation year, such as a return of capital, will reduce the adjusted cost base of the Unitholder’s ETF Units. To the extent that a Unitholder’s adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the adjusted cost base of the ETF Unit to the Unitholder will be nil immediately thereafter. Any loss of Ninepoint Web3 Innovators Fund cannot be allocated to, and cannot be treated as a loss of, the Unitholders of Ninepoint Web3 Innovators Fund. Upon the actual or deemed disposition of a Unit, including the exchange or redemption of a Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the ETF Unit exceeds (or is less than) the aggregate of the adjusted cost base to the Unitholder of the ETF Unit and any reasonable costs of disposition.

The Declaration of Trust requires that Ninepoint Web3 Innovators Fund distribute its net income and net realized capital gains, if any, for each taxation year to Unitholders to such an extent that Ninepoint Web3 Innovators Fund will not be liable in respect of the taxation year for ordinary income tax.

Each investor should satisfy himself or herself as to the tax consequences of an investment in ETF Units by obtaining advice from his or her own tax advisor. See “*Canadian Federal Income Tax Considerations*”.

**Taxation of
Registered
Plans:**

In the opinion of McCarthy Tétrault LLP, provided that Ninepoint Web3 Innovators Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the ETF Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which includes the TSX), ETF Units will be qualified investments for Registered Plans. Holders of TFSAs, RDSPs or FHSAs annuitants under RRSPs or RRIFs, and subscribers under RESPs should consult their own tax advisors to ensure ETF Units would not be a “prohibited investment” for the purposes of the Tax Act in their particular circumstances. See “*Canadian Federal Income Tax Considerations – Status of Ninepoint Web3 Innovators Fund*”.

Organization and Management Details

- Manager:** Ninepoint Partners LP acts as trustee, manager and promoter of Ninepoint Web3 Innovators Fund. The principal office of the Manager is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Trustee, Manager and Promoter of Ninepoint Web3 Innovators Fund*”.
- Promoter:** The Manager may be considered a promoter of Ninepoint Web3 Innovators Fund within the meaning of applicable securities legislation by reason of its initiative in organizing Ninepoint Web3 Innovators Fund. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Trustee, Manager and Promoter of Ninepoint Web3 Innovators Fund*”.
- Auditor:** The independent auditor of Ninepoint Web3 Innovators Fund is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund - Auditor*”.
- Custodian:** CIBC Mellon Trust Company (the “**Custodian**”) at its principal offices in Toronto, Ontario acts as custodian of the assets of Ninepoint Web3 Innovators Fund pursuant to the Custodian Agreement and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for certain reasonable expenses that are properly incurred by the Custodian in connection with the activities of Ninepoint Web3 Innovators Fund. The Custodian may appoint one or more sub-custodians from time to time with the consent of Ninepoint Web3 Innovators Fund in accordance with NI 81-102. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Custodian*”.
- Registrar and Transfer Agent:** TSX Trust Company (the “**Registrar and Transfer Agent**”), at its principal offices in Toronto, is the registrar and transfer agent for the ETF Units pursuant to a registrar and transfer agency agreement dated January 19, 2021, as it may be amended from time to time. The Registrar and Transfer Agent is located in Toronto, Ontario. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Registrar and Transfer Agent*”.
- Administrator:** CIBC Mellon Global Securities Services Company (the “**Administrator**”), at its principal offices in Toronto, has been appointed the administrator of Ninepoint Web3 Innovators Fund and is responsible for calculating the Net Asset Value and Net Asset Value per ETF Unit as described under “*Calculation of Net Asset Value*”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by Ninepoint Web3 Innovators Fund which will therefore reduce the value of a Unitholder’s investment in Ninepoint Web3 Innovators Fund. All fees are subject to current and future taxes. For further particulars, see “Fees and Expenses”.

Fees and Expenses Payable by Ninepoint Web3 Innovators Fund

- Management Fees:** Ninepoint Web3 Innovators Fund will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee and manager of Ninepoint Web3 Innovators Fund equal to 0.70% of the NAV of Ninepoint Web3 Innovators Fund, calculated daily and payable monthly in arrears, plus applicable taxes.

The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from Ninepoint Web3 Innovators Fund, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by Ninepoint Web3 Innovators Fund to the applicable Unitholders as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of Ninepoint Web3 Innovators Fund and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of Ninepoint Web3 Innovators Fund then out of capital gains of Ninepoint Web3 Innovators Fund and thereafter out of capital. See “*Fees and Expenses – Management Fees*”.

Operating Expenses:

In addition to the Management Fee, Ninepoint Web3 Innovators Fund will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with National Instrument 81-102 – Investment Funds (“**NI 81-102**”), it is expected that the expenses for Ninepoint Web3 Innovators Fund will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Web3 Innovators Fund investment in its portfolio assets; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the custodian; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Web3 Innovators Fund; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Web3 Innovators Fund and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “**IRC**”); expenses related to compliance with National Instrument 81-107 – Independent Review Committee for Investment Funds (“**NI 81-107**”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Web3 Innovators Fund.

See “*Fees and Expenses – Operating Costs and Expenses*” and “*Organization and Management Details – The Trustee, Manager and Promoter – Fees and Expenses Payable Directly by the Unitholders*”.

Redemption Fee:

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Web3 Innovators Fund may be charged by the Manager at its discretion, on behalf of Ninepoint Web3 Innovators Fund, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue and redemption of ETF Units to or by such Designated Broker and/or Dealer (the “**Redemption Fee**”). The Manager will publish the current Redemption Fee, if any, on its website, www.ninepoint.com. This fee does not apply to Unitholders who buy and sell their ETF Units through the facilities of the TSX.

See “*Fees and Expenses – Redemption Fee*”.

Annual Returns, Management Expense Ratio and Trading Expense Ratio:

The following chart provides the management expense ratio (“**MER**”) and trading expense ratio (“**TER**”) and annual return (“**Annual Return**”) for the ETF Units from the date of the Ninepoint Web3 Innovators Fund’s inception to December 31, 2022.

	Annual Rate (as a % of the ETF’s value)^[1]	
	<u>2021</u>	<u>2022</u>
Annual Returns	-	-64.1%
MER	1.45%	1.45%
TER	0.00%	0.00%

^[1] Indicates MER, TER and Annual Return for Ninepoint Web3 Innovators Fund (formerly known as Ninepoint Bitcoin ETF) before the Investment Objectives Change.

OVERVIEW OF THE LEGAL STRUCTURE OF NINEPOINT WEB3 INNOVATORS FUND

Ninepoint Web3 Innovators Fund (“**Ninepoint Web3 Innovators Fund**”) is an alternative mutual fund trust within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Web3 Innovators Fund was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario and was converted into an exchange-traded fund as of May 6, 2021 (the “**Conversion**”). On April 20, 2023, Unitholders approved, among other things, changes from Ninepoint Web3 Innovators Fund’s then existing investment objectives to the current investment objectives (the “**Investment Objectives Change**”). The Investment Objectives Change became effective on May 31, 2023. In connection with the Investment Objectives Change, Ninepoint Web3 Innovators Fund changed its name from “Ninepoint Bitcoin ETF” to “Ninepoint Web3 Innovators Fund”.

While Ninepoint Web3 Innovators Fund is a mutual fund under the securities legislation of certain provinces and territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to Ninepoint Web3 Innovators Fund because Ninepoint Web3 Innovators Fund is an “alternative mutual fund” within the meaning of NI 81-102. Ninepoint Web3 Innovators Fund is subject to restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and is managed in accordance with these restrictions, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities.

Units of Ninepoint Web3 Innovators Fund (the “**ETF Units**” and each an “**ETF Unit**”) are being issued and sold on a continuous basis and there is no maximum number of ETF Units that may be issued. Investors may incur customary brokerage commissions in buying or selling ETF Units. The ETF Units are purchased and sold in Canadian dollars and U.S. dollars.

The head and registered office of Ninepoint Web3 Innovators Fund and the Manager is located at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1.

The following table sets out the full legal name as well as the ticker symbol for Ninepoint Web3 Innovators Fund:

Legal Name of Ninepoint Web3 Innovators Fund	Currency	Ticker Symbol
Ninepoint Web3 Innovators Fund	US\$	TKN.U
Ninepoint Web3 Innovators Fund	CAD\$	TKN

INVESTMENT OBJECTIVES

Ninepoint Web3 Innovators Fund’s investment objectives are to seek to provide holders of ETF Units (“**Unitholders**”) with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet.

INVESTMENT STRATEGIES

Ninepoint Web3 Innovators Fund seeks to achieve its investment objective by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries.

Ninepoint Web3 Innovators Fund also indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs. Not more than 30% of Ninepoint Web3 Innovators Fund's assets will be invested in securities of Canadian cryptocurrency ETFs. The Manager seeks to gain unique insights into the leading companies who are using these technologies in a range of industries. The Manager selects securities for Ninepoint Web3 Innovators Fund through a combination of quantitative and qualitative analysis, focusing on several factors, including but not limited to, assessing the merits of key personnel, analyzing the manner in which they are integrating Web3 and emerging technologies, and valuation.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation. Ninepoint Web3 Innovators Fund may invest in equity and equity-related securities of small, medium and large capitalization companies at the Manager's discretion.

The Manager also monitors the macroeconomic environment to identify any potential risks or opportunities and regularly reviews the portfolio and adjusts as needed seeking to ensure the portfolio is well-positioned for long-term success. Ninepoint Web3 Innovators Fund's portfolio will be diversified with securities of any one issuer not exceeding 10% of Ninepoint Web3 Innovators Fund's net asset value, unless permitted under NI 81-102. The Manager also considers the liquidity of any security before investing. Ninepoint Web3 Innovators Fund does not have any geographical restrictions on its investments.

Ninepoint Web3 Innovators Fund will not use leverage. Ninepoint Web3 Innovators Fund may use listed options and will have the ability to hedge currency at the Manager's discretion.

Ninepoint Web3 Innovators Fund may also choose to:

- hold Canadian cryptocurrency ETFs, provided that not more than 30% of Ninepoint Web3 Innovators Fund's assets will be invested in securities of Canadian cryptocurrency ETFs.
- hold up to 100% of Ninepoint Web3 Innovators Fund's assets in cash, short-term money market instruments, or other equivalents at any time, including, in accordance with NI 81-102, other investment funds managed by the Manager that invest all or substantially all of their assets in cash or cash equivalents, for cash management purposes based on the market outlook for the sectors where these companies operate.
- invest in private companies and other illiquid assets as permitted under NI 81-102.
- engage in securities lending and repurchase and reverse repurchase transactions as permitted under NI 81-102 to seek to generate additional income.

OVERVIEW OF THE SECTOR IN WHICH NINEPOINT WEB3 INNOVATORS FUND INVESTS

Summary

Ninepoint Web3 Innovators Fund invests in accordance with its investment objectives and investment strategies. See "*Investment Objectives*" and "*Investment Strategies*".

The Web, and with it the Internet, are entering a new era, known as Web3. Web1 was the so-called "Read-web," a way to consume information digitally. Static and primitive by today's standards, it was nevertheless a major breakthrough that democratized access to information for those with an internet connection. Web2, or the read/write web, built on the early success of Web1. In Web2, the web became not only a medium for the presentation of information, but also a powerful tool for communication and collaboration online. If Web1 democratized access to information, then Web2 democratized publishing for all internet users, ushering in the era of user-generated content. Web2 impacted many industries, such as media and retail, but the data and value that users generated online was largely captured by intermediaries including financial services companies and technology firms, who became

gatekeepers for the digital economy, enacting tolls and limiting innovation, preventing the web from reaching its full potential, perhaps until now.

Web3, the “Read-Write-Own Web” is a decentralized Internet intended to allow individuals to securely trade assets like money, securities, intellectual property, and art privately and peer to peer. Web3 has the potential to be more fair, private, decentralized, resilient, and a more inclusive system for economic and social interactions that will empower individuals, entrepreneurs, creators, and enterprises. The Manager believes that this will be made possible through Web3’s utilization of blockchain technology, the first digital medium for value, enabling the movement, storage, and management of digital assets.

In a Web3 vision for the Internet, individuals own their own data and their own digital identities in digital wallets and decide how that data is used or monetized. The Manager believes that Web3 has the potential to reimagine many businesses and industries, transform money and markets, restore digital property rights and usher in new kinds of assets known as tokens that are expected to create innovation in the economy.

As with prior eras of the Internet, the Manager expects Web3 will become an integral technology for business. As Web3 becomes more widely used, investors may capture the upside by investing in public equities and other publicly traded securities that offer exposure to the most dynamic organizations in this space.

Figure 1: The Web, and with it the Internet, are Entering a New Era



Ninepoint Web3 Innovators Fund Benefits

The Manager believes that Unitholders will enjoy the following benefits from investing in Ninepoint Web3 Innovators Fund:

- (1) **Convenient Way to Get Exposure to Web3:** Ninepoint Web3 Innovators Fund’s investment objectives and strategies offer diversification by providing Unitholders with exposure to widespread innovation in digital assets and the emerging field of Web3. This strategy gives Unitholders access to a much larger investment universe, while remaining focused on digital asset innovation.
- (2) **Growing Investment Universe:** Increasingly, leading companies in the digital asset and Web3 industry have gone public or plan to go public, and the Manager believes that this trend will continue. As this occurs, the investment universe becomes broader and deeper across different industries. The Manager believes that this should be a tailwind for Ninepoint Web3 Innovators Fund with its investment objectives and strategies setting it up for long-term success.

- (3) **Digital Asset Exposure, Including Bitcoin and Ethereum:** Ninepoint Web3 Innovators Fund may indirectly own Bitcoin and Ether (the native token of Ethereum) via other listed Canadian cryptocurrency exchange-traded funds and will also get high exposure to digital asset innovation via publicly listed companies operating entirely in this field. The Manager continues to believe that Bitcoin is a staple of any Web3 portfolio and believes Ninepoint Web3 Innovators Fund’s portfolio approach gives it optimal exposure to the underlying asset.
- (4) **Exposure to Enterprise Adoption of Web3:** The investment objectives will allow Ninepoint Web3 Innovators Fund to invest in leading companies harnessing Web3 and related technologies to transform their industry or business. In the same way the first eras of the World Wide Web unlocked new value in the economy for those firms willing to see its potential, the Manager believes that Web3 will also deliver value for enterprise leaders.
- (5) **Uniquely Positioned in Canada:** The Ninepoint Digital Asset Group has been a leader in researching and studying digital asset transformations for years. Web3 has been a central focus of the Manager since 2021.
- (6) **Experienced Manager with Track Record in Alternative Assets:** The Manager has a long and successful track record of launching exchange-traded investment products that provide investors with exposure to novel or emerging asset classes and industries.

Web3 Industry Overview

Principles of Web3:

- (i) **Ownership:** Digital assets, or “tokens” give internet users an economic stake in their digital existence and enable property rights online allowing two or more individuals to be able to transact peer to peer without an intermediary. Just as websites are containers for information, tokens can be thought of as containers for value. As such, there is a near infinite number of different tokens representing ownership in everything from money to stocks, art, collectibles, data, natural assets, and much more. See “*Overview of the Sector in which Ninepoint Web3 Innovator Fund Invests – Tokens*”.
- (ii) **Commerce:** Web3 is enabled by blockchains, a digital medium for value. With new digital assets at their disposal, innovators can reimagine many business models and marketplaces with this technology, across a range of industries from financial services to cultural industries. For example, in financial services, decentralized finance (or “DeFi”) is reimagining many traditional financial markets such as lending, trading, funding and the moving and storing of value while stablecoins, digital assets backed by Fiat currencies, clear trillions in dollar value per year in transactions on blockchains such as Ethereum.¹ In cultural industries, NFTs (non-fungible tokens) are enabling new ways for creators to monetize their art and connect with fans.
- (iii) **Identity:** In Web2, internet users create data, but they do not own that data which can create barriers from monetizing the data. Instead, that data is monetized by data aggregators like social media companies who repurpose and repackage it to advertisers. Advertising became one of Web2’s great business models, at the expense of privacy and the user experience. The Manager believes that data is one of the most important asset classes of the digital age, but until now there have been limited ways for users to safeguard it and use it for their own benefit. In Web3, individuals own their own data and can use it as identifiers, creating a self-sovereign identity.
- (iv) **Governance:** Many Web3 based products and services allow users to earn into the ownership of those products and services by way of a token. Ownership, aligns the interests of users with the products they rely on. It also gives them an economic ownership and with it a say in the governance of those platforms. For example, in DeFi, early users of applications such as Compound, Uniswap and others were rewarded for helping to bootstrap the usefulness of those applications by earning a token. The Manager believes that Web3

¹ *State of the USDC Economy*, published by Circle, 2022, page 8.

extends the Silicon Valley maxim that to attract the best talent, you need to share the upside, and applies it globally to anyone who uses Web3 applications.

Web3 Technology:

- (i) **Tokens:** Tokens are the native asset class of Web3 and the essential building block in many Web3 applications and services. Tokens fall into different categories such as fungible tokens and non-fungible tokens (“NFTs”), where a fungible thing is an item that can easily be replaced with others of the same kind. NFTs, by contrast, are unique digital goods that are provably unique, provably distinct, and therefore not fungible and not interchangeable. While commonly associated with art and other rare collectibles, NFTs are also useful for expressing bespoke contracts and agreements.
- (ii) **Digital Wallets:** Wallets are one of the main ways Web3 users interface with applications. Most wallets are open-source software that generate a public key or collection of public keys that function, in effect, like a user’s account number. To move a token like Bitcoin or Ether out of a wallet requires a private key, which when paired with the public key, gives the user the ability to unlock the Bitcoin or Ether and move or spend it. This process of combining the private and public key pair is known as “signing” a transaction. However, while a public key can be derived from its corresponding private key pair, a public key cannot be used to discover the private key. In this sense, a private key is akin to a very strong password. Other kinds of wallets include multi-signature wallets, where a collection of users each must sign a transaction before unlocking the funds.
- (iii) **Consensus Algorithms:** Tokens are considered valuable because digital scarcity can be programmed into blockchains. A token cannot exist in two places at the same time. To ensure that a network only has one state at any point in time, everyone in the network needs to agree on the state.

This is done through consensus algorithms, which are used to reach agreement on the state of a distributed system without the need for a central authority. The two main kinds of consensus algorithms are (i) proof of work and (ii) proof of stake. Proof of work algorithms harness the computing power of a large decentralized network to validate transactions and update the blockchain. Proof of stake algorithms rely on existing holders of assets to pledge their value to a network. Acting with integrity ensures they receive a reward while trying to undermine the network could mean losing what they have staked (a process known as ‘slashing’).

- (iv) **Smart Contracts:** A smart contract is a special type of agreement that replaces the logic of a traditional contract with self-executing software running on a blockchain. Web3 innovators are replacing the business logic of traditional agreements with smart contracts, impacting many industries. For example, in art and other cultural industries, artists can sell their work as a token, known as an NFT, and receive a stream of royalty payments paid out via a smart contract every time that piece of art is resold.
- (v) **Decentralized Autonomous Organizations and Decentralized Applications:** Decentralized Autonomous Organizations (DAOs) are a new internet-native tool to pool resources and coordinate skills and talent in building something of value, akin to an open-source project like Linux, but with a way for contributors to earn fair compensation. According to DappRadar, there are over 13,000 decentralized applications (dApps) across the different blockchain networks.² There are several categories of dApps including finance (DeFi), gaming, social, supply chain, identity, and more, each providing differentiated use cases in a decentralized manner. Despite unfavourable macroeconomic conditions stemming from hacks and exploits within the industry, dApps had a reported 2.38 million daily active users (DAU) during Q1 2022, a 396% increase compared to Q1 2021.³ The Manager believes that this illustrates a significantly increasing demand for dApps, and the resilience of

²<https://dappradar.com/blog/dapp-industry-report-2022-dapp-industry-proves-resilient-in-crypto-winter#:~:text=Currently%2C%20DappRadar%20tracks%20over%2050,over%202.5%20million%20smart%20contracts.>

³ <https://ca.style.yahoo.com/dappradar-q1-2022-report-2-14000647.html>

developers to create high-quality offerings in bearish conditions, which have historically proven to be comprised of long-term-oriented builders looking to provide value rather than seek quick monetary gain in bullish markets.

Tokens

Increasingly many businesses are harnessing digital assets, also known as tokens, to open up new markets, create new products and services and reach customers. The Manager believes that the term cryptocurrency is a misnomer, as most digital assets are not trying to be currencies in the classical sense of a medium of exchange, store of value and unit of account. Alex Tapscott, Managing Director of the Ninepoint Digital Asset Group, developed and periodically updates the token taxonomy, pictured below. The Manager’s extensive research and expertise regarding Digital Assets and Web3 was illustrated in its joint research report with the Blockchain Research Institute entitled “*Digital Asset Revolution*”.

Figure 2: Web3 Token Taxonomy

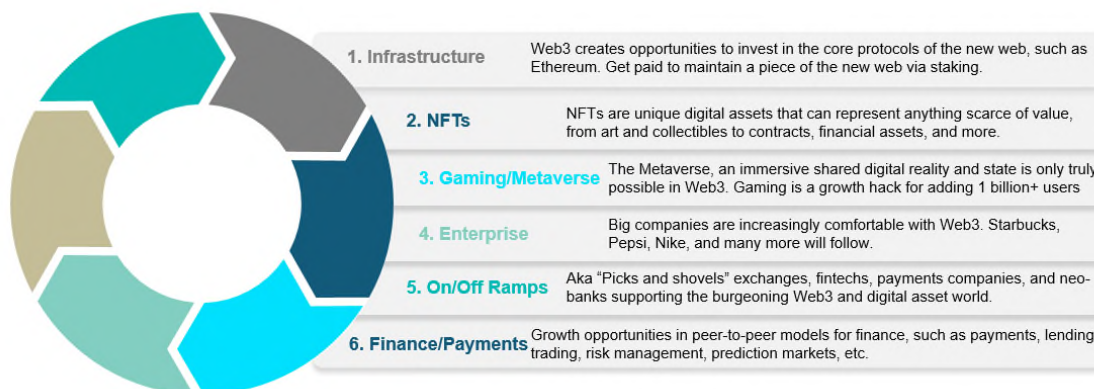


Web3 Public Market Investment Themes

Web3 technologies are increasingly becoming integrated into the inner working of many leading businesses, including as illustrated below:

Figure 3: Web3 Public Market Investment Themes

Web3 Public Market Investment Themes



Web3 in the Finance/Payments Industries

DeFi looks to continue its current trajectory of becoming the financial system of the new internet and digital economy in its reimagination of financial services, peer-to-peer and online, in an open and more accessible way, especially for those without access to traditional financial services. DeFi is global, capital efficient, peer-to-peer, and digitally native. In the same way that cell phones allowed billions to leapfrog landlines, the Manager believes that DeFi could enable people to do the same for traditional banks and other intermediaries. Just in the last few years, DeFi has seen an explosion of innovation which the Manager believes has created billions of dollars in value; at the start of 2020, the total number of DeFi users worldwide was approximately 109,000, compared to 1.31 million in as of the start of 2021, 4.96 million in as of the start of 2022, and 6.65 million as of the start of 2023.⁴

Furthermore, the total value locked ("TVL") across all DeFi projects in smart contracts currently sits around \$50 billion, which is a 72% drawdown from its all-time high of \$180 billion set in December 2021.⁵ The DeFi market capitalization as a percentage of the global cryptocurrency market was nearly 7% in early 2022, and is now sitting at approximately 4%; this metric was less than 1% in early 2020.⁶ The Manager believes that these statistics reveal a real and positive user adoption trend of DeFi, and showcase the immense value stored within these projects. As such, the Manager believes that the potential of DeFi is profound and disruptive to the status quo; reimagining how finance works without intermediaries, platforms, and other middlemen, which the Manager believes could engulf firms that fail to innovate, adapt, and embrace DeFi.

Web3 in the Gaming Industry and the Metaverse

The Metaverse concept has garnered considerable attention in the past few years. This concept refers to a virtual world where users can interact in real-time with avatars, whether for gaming, commerce, socializing, learning, or other sought-after alternatives. Insights from a Statista study suggest that 15% of the digital economy has already shifted to the Metaverse, and its user base by 2030 is projected to be 700 million people worldwide.⁷ In addition, the same study from Statista suggests that the total addressable market (TAM) for the Metaverse by the end of this decade ranges from \$1.91 trillion in a conservative scenario to \$4.4 trillion in an optimistic scenario.⁸ An example of the Metaverse in gaming is Roblox, an online game platform that allows users to create or enjoy others' gaming

⁴ <https://www.statista.com/statistics/1297745/defi-user-number/>

⁵ <https://www.theblock.co/data/decentralized-finance/total-value-locked-tvl/total-value-locked-by-category>

⁶ <https://www.theblock.co/data/decentralized-finance/asset-management/defi-dominance>

⁷ <https://www.weforum.org/agenda/2023/02/chart-metaverse-market-growth-digital-economy/>

⁸ <https://www.weforum.org/agenda/2023/02/chart-metaverse-market-growth-digital-economy/>

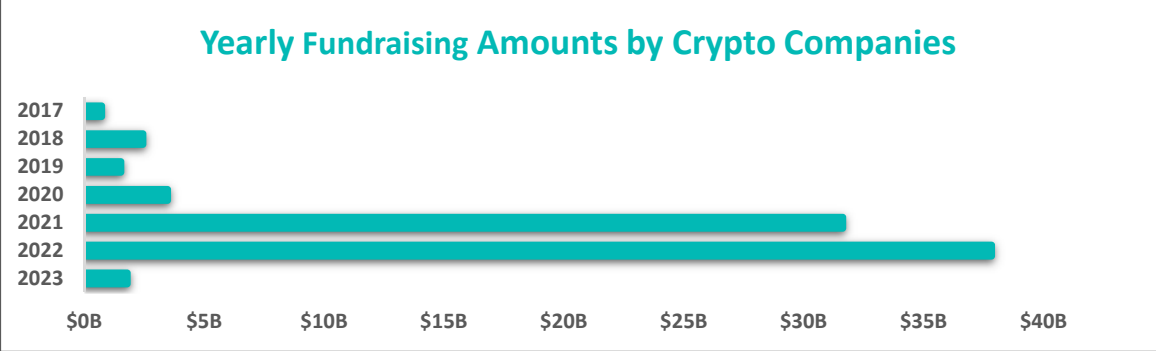
experiences; it boasts one of the largest metaverses with approximately 59 million daily active users as of the fourth quarter of 2022.⁹

The Metaverse’s potential for impact is large in magnitude, and this has caught the eye of large enterprises, like Facebook, which completed a rebrand to “Meta” and aligned its business focus to “bring the metaverse to life.” Web3 technology is an instrumental building block for the open metaverse; it offers the underlying infrastructure of decentralization so that users can freely interact, trade digital goods without centralized limitations, and create experiences for others to pay for and enjoy. Another important facet of Web3 relating to the Metaverse is non-fungible tokens (NFTs). In a Web3 world, they own and custody those assets. Ownership becomes part of the user experience for gamers and other internet users. For example, virtual real estate NFT sales exceeded \$1.4 billion in 2022 across five of the most prominent Web3 Metaverses, Decentraland, Otherside, The Sandbox, NFT Worlds, and Somnium Space, which was up from just \$0.5 billion in 2021.¹⁰ The Manager believes that this highlights how the growing adoption of virtual reality (“VR”) and augmented reality (“AR”) technologies has fueled the development of the Metaverse and in turn, yielded a substantially increased demand for virtual real estate.

Web3 Funding

The Manager believes that the venture capital (“VC”) flows into the crypto industry showcase investors’ rising preference to gain exposure to Web3 as it continues to develop and evolve on its strong path forward. Figure 4 below illustrates a positive crypto macroeconomic trend with consistently increasing VC inflows over the past seven years. In 2022, an all-time high of nearly \$40 billion was raised by crypto firms and this momentum has already seen around \$2 billion raised YTD in 2023 as of March 23, 2023.

Figure 4: Yearly Fundraising Amounts by Crypto Companies (Source: Messari)



⁹<https://www.statista.com/statistics/1192573/daily-active-users-global-roblox/>

¹⁰ <https://ghost.parcel.so/content/files/2023/01/2022-Annual-Metaverse-Virtual-Real-Estate-Report---Parcel-2.pdf>

Figures 5 and 6 below are category-specific, depicting the VC crypto inflow breakdown between infrastructure, Web3, DeFi, CeFi, and NFTs. As illustrated in Figure 5, Web3 has seen an increased allocation relative to the total fundraising amount in each of the past three years; it was 4.67% in 2020, 7.22% in 2021, 24.96% in 2022, and as of March 14, 2023, was 36.44% for 2023. This is complemented by Figure 6 which highlights Web3 leading all categories in total fundraising rounds over the past seven years totalling 1,025. The Manager believes that Figures 5 and 6 emphasize that Web3's potential impact has attracted the attention of venture capitalists at an increasing rate. The Manager believes that Figures 4, 5 and 6 illustrate that the trend of total VC flows into crypto companies bodes well for Web3, as it looks to remain the categorical focal point of investment and embrace the support to establish solid foundational pillars for the next digital age.

Figure 5: Yearly Fundraising Allocation by Crypto Category

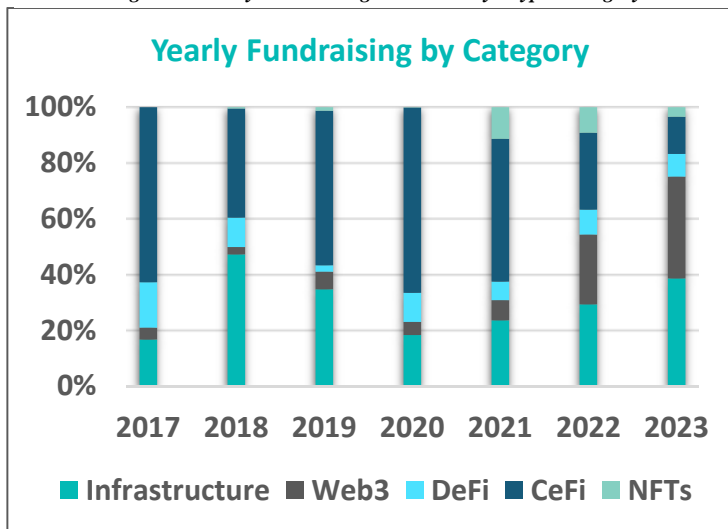
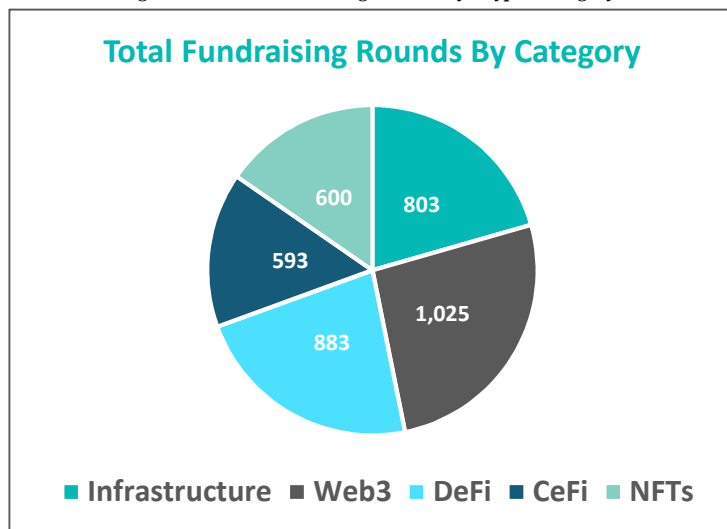


Figure 6: Total Fundraising Rounds by Crypto Category



Enterprise Adoption of Web3 Toolkit

In much the same way initial “internet” technology was adopted in enterprises as “intranets,” as internet technologies matured and leveraged open innovation, enterprises shifted their interest and efforts to public internet technology, industries are starting to see the same thing happen in Web3. The Manager believes that a growing number of enterprises will start to leverage public blockchains for their state information and this will reduce the friction for enterprises to work with and coordinate their activities with ecosystems of partners. The Manager believes that Bitcoin is just the start of the Web3 revolution and that Web3 tools are impacting the businesses of large public enterprises. A few examples of large enterprise adoption of Web3 are provided below.

Microsoft is illustrative of a large-sized enterprise adopting Web3 technologies as part of its product and service offerings. Microsoft partnered with Ankr, a Web3 company offering distributed node infrastructure, to “build a strong Web3 infrastructure layer whether you’re a developer building the next big decentralized application (dApp) or an established enterprise exploring Web3,” as Rashmi Misra (Microsoft General Manager AI & Emerging Technologies) puts it.¹¹ Adding to these efforts, Microsoft has confirmed its commitment to Web3 through its blockchain investments in ConsenSys, a provider of leading blockchain products, and its proposed acquisition of Activision Blizzard to provide “building blocks for the Metaverse.”^{12,13}

Nike is another example of a company that has adopted Web3 technology through its acquisition of RTFKT, an innovative company delivering next generations of digital collectibles to merge culture and gaming to accelerate

¹¹ <https://www.ankr.com/blog/ankr-and-microsoft-partner-to-offer-enterprise-node-services/>

¹² <https://news.microsoft.com/2022/01/18/microsoft-to-acquire-activision-blizzard-to-bring-the-joy-and-community-of-gaming-to-everyone-across-every-device/>

¹³ <https://www.ankr.com/blog/ankr-and-microsoft-partner-to-offer-enterprise-node-services/>

their digital transformation, footprint, and capabilities.¹⁴ Afterwards, Nike launched a Web3-enabled platform “SWOOSH” to provide members with the ability to learn, collect, and help co-create virtual creations in the form of digital goods.¹⁵

LVMH has also showcased an interest in and commitment to Web3. In April 2021, LVMH co-established Aura Blockchain, “the first blockchain solution made by luxury brands for luxury brands” alongside Prada Group and Cartier, and has since been joined by the OTB Group and Mercedes-Benz.¹⁶ The Aura Blockchain Consortium aims to raise the standards of luxury through the development of blockchain technology applications. They believed that such an alliance with other dominant luxury brands would help pave the way for increased transparency and traceability and have actively voiced for other prestigious companies to join their journey.

Google has invested over \$1.5 billion cumulatively across a variety of quality Web3 firms, including Fireblocks, Dapper Labs, Voltage, and Digital Currency Group (DCG), and has a variety of Google Cloud service offerings to support blockchains and node-hosting for Web3 development.¹⁷¹⁸¹⁹

Salesforce CEO Marc Beinoff’s statement “blockchain is the future of apps but getting access to the core technology has been just way too difficult”²⁰ has been backed up with Salesforce’s Web3 Connect and NFT Management services to bridge Web3 with their leading customer relationship management (CRM) platform.²¹

Amazon Web Services unveiled its Amazon Managed Blockchain product to easily create and manage scalable blockchain networks, while NVIDIA released its NVIDIA Omniverse platform to create and operate metaverse applications.²²²³

Payment giants Visa and Mastercard both offer crypto adjacent solutions and continue to develop blockchain related service offerings related to their existing payment networks, PayPal allows users to buy, sell, hold, and transfer crypto, and Shopify’s Blockchain feature enables vendors to build for token-powered, blockchain commerce.²⁴²⁵²⁶²⁷

This non-exhaustive list of large organizations across industries embracing Web3, either directly in product offerings or indirectly through strategic investment, is promising for the next era of the internet’s future and exemplifies the expanding investment universe for Ninepoint Web3 Innovators Fund.

INVESTMENT RESTRICTIONS

Ninepoint Web3 Innovators Fund is subject to certain restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102. Additionally, Ninepoint Web3 Innovators Fund is subject to certain investment restrictions that, among other things, limit the assets that Ninepoint Web3 Innovators Fund may acquire for its portfolio. Ninepoint Web3 Innovators Fund is managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions provided by Canadian securities regulatory authorities. See “*Exemptions and Approvals*”. A change to the fundamental investment objective of

¹⁴ <https://about.nike.com/en/newsroom/releases/nike-acquires-rtfkt>

¹⁵ <https://about.nike.com/en/newsroom/releases/nike-launches-swoosh-a-new-digital-community-and-experience>

¹⁶ <https://auraluxuryblockchain.com/>

¹⁷ <https://www.blockdata.tech/blog/general/top-100-public-companies-investing-in-blockchain-and-crypto-companies>

¹⁸ <https://www.bnbchain.org/en/blog/bnb-chain-and-google-cloud-collaborate-to-accelerate-the-growth-of-web3/>

¹⁹ <https://cloud.google.com/blog/products/infrastructure-modernization/introducing-blockchain-node-engine>

²⁰ <https://twitter.com/Benioff/status/1384144353833078801?s=20>

²¹ <https://www.salesforce.com/products/web3/overview/>

²² <https://aws.amazon.com/managed-blockchain/>

²³ <https://www.nvidia.com/en-us/omniverse/>

²⁴ <https://usa.visa.com/solutions/crypto.html#2>

²⁵ <https://www.mastercard.com/global/en/business/issuers/crypto.html>

²⁶ <https://www.paypal.com/us/digital-wallet/manage-money/crypto>

²⁷ <https://blockchain.shopify.dev/#features>

Ninepoint Web3 Innovators Fund would require the approval of the Unitholders of Ninepoint Web3 Innovators Fund. See “*Unitholder Matters – Matters Requiring Unitholder Approval*”.

FEES AND EXPENSES

Fees and Expenses Payable by Ninepoint Web3 Innovators Fund

Management Fees

Ninepoint Web3 Innovators Fund will pay an annual management fee (the “**Management Fee**”) to the Manager for acting as trustee and manager of Ninepoint Web3 Innovators Fund equal to 0.70% of the NAV of Ninepoint Web3 Innovators Fund, calculated daily and payable monthly in arrears, plus applicable taxes. See “*Organization and Management Details – The Trustee, Manager and Promoter*”.

The Manager may, at its discretion, agree to charge a reduced Management Fee for some Unitholders as compared to the Management Fee that the Manager would otherwise be entitled to receive from Ninepoint Web3 Innovators Fund, provided that the difference between the fee otherwise chargeable and the reduced fee is distributed periodically by Ninepoint Web3 Innovators Fund to the applicable Unitholders as a management fee distribution (the “**Management Fee Distributions**”). Any reduction will depend on a number of factors, including the amount invested, the NAV of Ninepoint Web3 Innovators Fund and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of Ninepoint Web3 Innovators Fund then out of capital gains of Ninepoint Web3 Innovators Fund and thereafter out of capital. See “*Fees and Expenses – Management Fees*”.

Operating Costs and Expenses

In addition to the Management Fee, Ninepoint Web3 Innovators Fund will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for Ninepoint Web3 Innovators Fund will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Web3 Innovators Fund investment in its portfolio assets; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the Custodian; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Web3 Innovators Fund; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Web3 Innovators Fund and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “**IRC**”); expenses related to compliance with National Instrument NI 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Web3 Innovators Fund.

Fees and Expenses Payable Directly by the Unitholders

Redemption Fee

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Web3 Innovators Fund may be charged by the Manager at its discretion, on behalf of Ninepoint Web3 Innovators Fund, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue and redemption of ETF Units to or by such Designated Broker and/or Dealer (the “**Redemption Fee**”). The Manager will publish the current Redemption Fee, if

any, on its website, www.ninepoint.com. This fee does not apply to Unitholders who buy and sell their ETF Units through the facilities of the TSX.

ANNUAL RETURNS, MANAGEMENT EXPENSE RATIO AND TRADING EXPENSE RATIO

The following chart provides the management expense ratio (“**MER**”), trading expense ratio (“**TER**”) and annual return (“**Annual Return**”) for the ETF Units from the date of the Ninepoint Web3 Innovators Fund’s inception to December 31, 2022.

	Annual Rate (as a % of the ETF’s value)^[1]	
	<u>2021</u>	<u>2022</u>
Annual Returns	-	-64.1%
MER	1.45%	1.45%
TER	0.00%	0.00%

^[1] Indicates MER, TER and Annual Return for Ninepoint Web3 Innovators Fund (formerly known as Ninepoint Bitcoin ETF) before the Investment Objectives Change.

RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in ETF Units that prospective investors should consider before purchasing such ETF Units.

Risk Factors Relating to an Investment in Ninepoint Web3 Innovators Fund

No Assurance in Achieving Investment Objectives

There is no assurance that Ninepoint Web3 Innovators Fund will be able to achieve its investment objectives.

Loss of Investment

An investment in Ninepoint Web3 Innovators Fund is appropriate only for investors who have the capacity to absorb a loss on their investment.

Active Management Risk

Ninepoint Web3 Innovators Fund is subject to the risk that its investment management strategies may not produce the intended results. There can be no assurance that the securities selected by the Manager will produce positive returns.

Concentration Risk

Ninepoint Web3 Innovators Fund may concentrate its investment holdings in specialized industries, market sectors, geographical regions, asset classes or in a limited number of issuers. Investments in Ninepoint Web3 Innovators Fund involves greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, geographical region, asset class or issuer could significantly and adversely affect the overall performance of Ninepoint Web3 Innovators Fund.

Asset Class Risk

Securities and other assets in Ninepoint Web3 Innovators Fund’s portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

Blockchain Risk

Ninepoint Web3 Innovators Fund may hold securities issued by companies for which blockchain technology is essential for their business prospects. The participation and investment in blockchain, Web3 technologies and digital assets are speculative activities involving a high degree of risk. Blockchain technology is a relatively new and untested technology that operates as a distributed ledger. The risks associated with Web3 and blockchain technology may not fully emerge until the technology is widely used, and there is no assurance that a widespread adoption of blockchain technology will occur at all. Furthermore, the uncertainties inherent in Web3 and blockchain technology as well as the development and acceptance of competing platforms or technologies could cause companies to use alternatives to Web3 and blockchain. Additionally, any future regulatory developments could adversely affect the viability and expansion of the use of blockchain technology. Given that blockchain technology systems may operate across multiple national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Digital commodities and their associated platforms are currently largely unregulated, and the regulatory environment is rapidly evolving. As a result, companies engaged in such blockchain activities may be exposed to adverse regulatory action, fraudulent activity or even failure.

Access to a given blockchain requires an individualized cryptographic key, which, if compromised, may impair the value of ownership claims that users have over the digital assets represented by a ledger, could result in loss due to theft, destruction or inaccessibility and/or adversely affect a company's business or operations if dependant on such ledger. Web3 and blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest and there is little regulation of Web3 and blockchain technology other than the intrinsic public nature of the blockchain system. Furthermore, cyber security incidents may compromise an issuer, its operations or its business. Cyber security incidents may also specifically target a user's transaction history, digital assets, or identity, thereby leading to privacy concerns.

There are a number of companies operating competing blockchain platforms and/or attempting to apply blockchain technology in a wide variety of contexts resulting in competing and conflicting intellectual property claims potentially leading to risks to issuers in the space, their operations and businesses. Digital assets that are represented and traded on a blockchain may not necessarily benefit from viable trading markets. Stock exchanges generally have listing requirements and vet issuers. These conditions may not necessarily be replicated on a blockchain, depending on the platform's controls and other policies. The more lenient a blockchain is in vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets, potentially resulting in a decreased liquidity or volume, or increased volatility of digital securities or other assets trading on a blockchain. Blockchain functionality relies on the Internet. As such, a significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect Ninepoint Web3 Innovators Fund. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies included in the portfolio of Ninepoint Web3 Innovators Fund may not be a reflection of their connection to blockchain technology, but may be based on other business operations. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies whose securities are included in Ninepoint Web3 Innovators Fund's portfolio.

Cryptocurrency Risk

Cryptocurrency operates as a decentralized, peer-to-peer financial exchange and value storage. Ninepoint Web3 Innovators Fund may have exposure to cryptocurrency indirectly through the companies included in its portfolio through investment in Canadian cryptocurrency ETFs. Cryptocurrencies operate without central authority or banks and are not backed by any government. Cryptocurrencies may experience very high volatility, and related investment vehicles that invest in cryptocurrencies may be affected by such volatility. Cryptocurrency is not legal tender. Federal, provincial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in Canada is still developing. Cryptocurrency exchanges have stopped operating and have permanently shut down due to fraud, technical glitches, hackers or malware. Cryptocurrency exchanges are new, largely unregulated, and may be more exposed to fraud.

Disruptive Innovation Risk

Companies that the Manager believes are capitalizing on disruptive innovation and developing technologies to displace other technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. Ninepoint Web3 Innovators Fund may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

Emerging Technologies Risk

Ninepoint Web3 Innovators Fund may invest in certain companies because of their use of emerging technologies associated with Web3. All of the risks associated with such technologies may not fully emerge until the technology is more widely used. The regulatory environment surrounding new technologies is often unclear. There is often uncertainty regarding the application of existing regulation and there can be no guarantee that new regulations will not be enacted that prohibit the use of a technology, modify its application, inhibit a technology's widespread adoption or prevent a company from realizing all of its potential benefits. Companies that initially develop or adopt a novel technology may not be able to capitalize on it and there is no assurance that a company will derive any significant revenue from it in the future. An emerging technology may constitute a small portion of a company's overall business and the success of a technology may not significantly affect the value of the equity securities issued by the company. In addition, a company's share price may be overvalued by market participants that value the company's securities based upon expectations of a technology that are never realized.

Communication Services Companies Risk

Ninepoint Web3 Innovators Fund's portfolio assets may from time to time include securities of communication services companies. Communication services companies may be subject to specific risks associated with legislative or regulatory changes, adverse market conditions, and/or increased competition. Communication services companies are particularly vulnerable to rapid advancements in technology, the innovation of competitors, rapid product obsolescence and government regulation and competition, both domestically and internationally. Communication services companies also rely on the use of intellectual property such as patents, copyrights and trademarks owned internationally or licensed through third-parties. Legal checkups or claims regarding infringement of intellectual property could cause an adverse effect on the reputation of the company. Additionally, fluctuating domestic and international demand, shifting demographics and often unpredictable changes in consumer tastes can drastically affect a communication services company's profitability. While all companies may be susceptible to network security breaches, certain communication services companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Information Technology Companies Risk

Ninepoint Web3 Innovators Fund's portfolio assets may from time to time include securities of information technology companies. Information technology companies produce and provide hardware, software and information technology systems and services. These companies may be adversely affected by rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, the loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new competitive product introductions and changing customer tastes. In addition, information technology companies are particularly vulnerable to federal, state and local government regulation, and competition and consolidation, both domestically and internationally, including competition from foreign competitors with lower production costs. Information technology companies also heavily rely on intellectual property rights and may be adversely affected by the loss or impairment of those rights.

Liquidity Risk

Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which Ninepoint Web3 Innovators Fund holds may be illiquid, as they may be difficult to sell. For example, securities of small companies may be less known and may not be traded regularly. In addition, in volatile markets, securities that are generally liquid may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

Equity Securities Risk

Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Equity securities' prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant equity market, such as market volatility, or when political or economic events affecting an issuer occur. Common share prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common shares generally subject their holders to more risks than preferred share and debt securities because common shareholders claims are subordinated to those of holders of preferred shares and debt securities upon the bankruptcy of the issuer.

General Risks of Foreign Investments

Ninepoint Web3 Innovators Fund may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with investments in equity securities, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when Ninepoint Web3 Innovators Fund does not price its securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell ETF Units. Information about corporations not subject to Canadian or American reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada or the United States and may not be subject to the same level of government supervision or regulation as would be the case in Canada or the United States. Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation. In addition, investment income received directly or indirectly by Ninepoint Web3 Innovators Fund from foreign investments may be subject to foreign income tax withheld at the source. The rate of the withholding may increase at any time and any potential reduced withholding tax rates or withholding tax reclaims may be more costly to pursue than the value of the benefits received by Ninepoint Web3 Innovators Fund.

Trading Price of ETF Units

ETF Units may trade in the market at a premium or discount to the NAV per ETF Unit. There can be no assurance that ETF Units will trade at prices that reflect their net asset value. The trading price of the ETF Units will fluctuate in accordance with changes in Ninepoint Web3 Innovators Fund's NAV, as well as market supply and demand on the stock exchange. However, given that generally only a Prescribed Number of Units (a "PNU") are issued to designated brokers and dealers, and that holders of a PNU (or an integral multiple thereof) may redeem such ETF Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the ETF Units should not be sustained.

Cease Trading of Securities Held by Ninepoint Web3 Innovators Fund

If securities held by Ninepoint Web3 Innovators Fund are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, the Manager may, subject to any required regulatory approvals, suspend the exchange or redemption of Units of Ninepoint Web3 Innovators Fund until such time as the transfer of the securities is permitted. As Ninepoint Web3 Innovators Fund may hold securities traded on an exchange or other organized market it bears the risk of cease trading orders against any such security it holds.

Small Company Risk

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

Specific Issuer Risk

The value of all securities will vary positively or negatively with developments within the specific companies or governments which issue the securities.

Trading Price of Underlying Funds Risk

Ninepoint Web3 Innovators Fund's portfolio may comprise from time to time securities of other exchange traded funds managed by Ninepoint and/or other third parties. The securities of such funds in which Ninepoint Web3 Innovators Fund may invest may trade below, at or above their respective net asset value per security. The net asset value per security will fluctuate with changes in the market value of such underlying fund's holdings. The trading prices of the securities of those underlying funds will fluctuate in accordance with changes in the applicable underlying fund's net asset value per security, as well as market supply and demand on the stock exchanges on which those underlying funds are listed. If Ninepoint Web3 Innovators Fund purchases a security of any such underlying fund at a time when the market price of that security is at a premium to the net asset value per security or sells a security at a time when the market price of that security is at a discount to the net asset value per security, Ninepoint Web3 Innovators Fund may sustain a loss.

Derivative Instrument Risk

Ninepoint Web3 Innovators Fund may use derivative instruments from time to time in accordance with NI 81-102. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when Ninepoint Web3 Innovators Fund wants to complete the derivative contract, which could prevent it from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent Ninepoint Web3 Innovators Fund from completing the derivative contract; (iv) Ninepoint Web3 Innovators Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if Ninepoint Web3 Innovators Fund has an open position in an option, a futures contract or a forward contract or a swap with a dealer or counterparty who goes bankrupt, Ninepoint Web3 Innovators Fund could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that dealer or counterparty; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the value of the derivative.

Securities Lending Risk

Ninepoint Web3 Innovators Fund may engage in securities lending in accordance with NI 81-102. Although it will receive collateral for the loans and such collateral will be marked-to-market, Ninepoint Web3 Innovators Fund may be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Reliance on the Manager

Unitholders will be dependent on the abilities of the Manager to effectively administer the affairs of Ninepoint Web3 Innovators Fund. The Manager depends, to a great extent, on a limited number of individuals in the administration of its activities as manager of Ninepoint Web3 Innovators Fund. The loss of the services of one or more

of these individuals for any reason could impair the ability of the Manager to perform its duties as manager on behalf of Ninepoint Web3 Innovators Fund.

Manager and Custodian Standard of Care

Each of the Manager and the Custodian are subject to a contractual standard of care in carrying out its respective duties concerning Ninepoint Web3 Innovators Fund. In the case that Ninepoint Web3 Innovators Fund suffers a loss of its portfolio assets and each of the Manager and the Custodian satisfied its respective standard of care, Ninepoint Web3 Innovators Fund will bear the risk of loss as with respect to these parties. Under the terms of the Custodian Agreement, the Custodian is required to exercise the standard required by NI 81-102. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Details of the Declaration of Trust*” and “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Custodian*”.

Potential Conflicts of Interest

The Manager and its directors and officers may engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of Ninepoint Web3 Innovators Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of Ninepoint Web3 Innovators Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Ninepoint Web3 Innovators Fund and the Manager.

Valuation of Ninepoint Web3 Innovators Fund

The valuation of Ninepoint Web3 Innovators Fund may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the Net Asset Value of Ninepoint Web3 Innovators Fund could be adversely affected. The Manager may face a conflict of interest in valuing the portfolio assets held by Ninepoint Web3 Innovators Fund because the values assigned will affect the calculation of the Management Fee payable by Ninepoint Web3 Innovators Fund to it.

Currency Risk

Changes in currency exchange rates affect the value of investments denominated in a foreign currency, and therefore the value of such investments in Ninepoint Web3 Innovators Fund’s portfolio. Ninepoint Web3 Innovators Fund’s net asset value could decline if a currency to which it has exposure depreciates against the Canadian dollar or if there are delays or limits on repatriation of such currency. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in Ninepoint Web3 Innovators Fund may change quickly and without warning.

U.S. Currency Exposure

Ninepoint Web3 Innovators Fund’s functional and presentation currency is in part, and the investor’s investment may be made in, U.S. dollars. Ninepoint Web3 Innovators Fund may purchase certain assets which are denominated in U.S. dollars.

Canadian investors should be aware that Ninepoint Web3 Innovators Fund will not hedge the investor’s investment in Ninepoint Web3 Innovators Fund against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor’s investment in Canadian dollars. If the value of the Canadian dollar has increased relative to the U.S. dollar, the return on the Ninepoint Web3 Innovators Fund’s portfolio assets converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor’s investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

Substantial Securityholder Risk

Ninepoint Web3 Innovators Fund may have one or more investors (including a mutual fund managed by the Manager) who hold a significant number of securities. For example, financial institutions may have a significant principal investment. If a financial institution makes a large redemption request, Ninepoint Web3 Innovators Fund may be required to sell underlying portfolio assets so that it can meet the redemption obligations. This sale may impact the market value of those portfolio investments and it may potentially impact remaining investors in Ninepoint Web3 Innovators Fund. Large redemption requests for institutional investors could force Ninepoint Web3 Innovators Fund to terminate.

No Ownership Interest in the Portfolio

An investment in ETF Units does not constitute an investment by Unitholders in Ninepoint Web3 Innovators Fund's portfolio. Unitholders will not own the underlying assets in Ninepoint Web3 Innovators Fund's portfolio or the cash or cash equivalents held by Ninepoint Web3 Innovators Fund.

Changes in Legislation

There can be no assurance that certain laws applicable to Ninepoint Web3 Innovators Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects Ninepoint Web3 Innovators Fund or Unitholders.

Inflation Risk

Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the present value of Ninepoint Web3 Innovators Fund's assets and distributions, if any, may decline.

Not a Trust Company

Ninepoint Web3 Innovators Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. ETF Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, investment funds like Ninepoint Web3 Innovators Fund have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause Ninepoint Web3 Innovators Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause Ninepoint Web3 Innovators Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to Ninepoint Web3 Innovators Fund's digital information systems (e.g. through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of Ninepoint Web3 Innovators Fund's third-party service providers (e.g. the Registrar and Transfer Agent and the Custodian) can also subject Ninepoint Web3 Innovators Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, Ninepoint Web3 Innovators Fund has established risk management systems designed to reduce the risks associated with cyber security.

COVID-19 Outbreak

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout Asia, Europe, the Middle East, Canada and the United States, causing companies and various governments to impose restrictions, such as quarantines, closures,

cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets.

Tax Risks

“Change of Law” - There is no assurance that Canadian federal or provincial tax laws, foreign tax laws or the administrative policies or assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects Ninepoint Web3 Innovators Fund or Unitholders.

“Mutual fund trust” status - In order to qualify as a mutual fund trust under the Tax Act, Ninepoint Web3 Innovators Fund must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If Ninepoint Web3 Innovators Fund were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: potentially becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; Ninepoint Web3 Innovators Fund no longer having the ability to use the capital gains refund mechanism contained in the Tax Act; and ETF Units ceasing to qualify as “Canadian securities” for the purposes of the election provided in subsection 39(4) of the Tax Act.

“SIFT Rules” - The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more “non-portfolio properties” (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market (**“SIFT trust”**). Under the SIFT Rules, if Ninepoint Web3 Innovators Fund were a SIFT trust it would generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, “non-portfolio earnings” under the Tax Act). Unitholders who receive distributions from Ninepoint Web3 Innovators Fund of this income and gain are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by Ninepoint Web3 Innovators Fund on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Manager intends to manage the affairs of Ninepoint Web3 Innovators Fund such that it will not become a SIFT Trust although there is no assurance that the Manager will be successful in this regard.

Treatment of gains and losses- The CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any transactions of Ninepoint Web3 Innovators Fund are reported by it on capital account, but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of Ninepoint Web3 Innovators Fund, which is automatically distributed by Ninepoint Web3 Innovators Fund to its Unitholders under the terms of the Declaration of Trust at Ninepoint Web3 Innovators Fund’s taxation year end with the result that Canadian-resident Unitholders could be reassessed by the CRA to increase their taxable income by the amount of such increase, and non-resident Unitholders potentially could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess Ninepoint Web3 Innovators Fund for a failure to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such redetermination by the CRA may result in Ninepoint Web3 Innovators Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. As Ninepoint Web3 Innovators Fund may not be able to recover such withholding taxes from the non-resident Unitholders whose ETF Units are redeemed or sold in the market, payment of any such amounts by Ninepoint Web3 Innovators Fund would reduce the net asset value of Ninepoint Web3 Innovators Fund.

“Loss restriction event” - If Ninepoint Web3 Innovators Fund experiences a “loss restriction event”, it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of Ninepoint Web3 Innovators Fund’s taxable income at such time to Unitholders so that Ninepoint Web3 Innovators Fund is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, Ninepoint Web3 Innovators Fund will be subject to a loss restriction

event when a person becomes a “majority-interest beneficiary” of Ninepoint Web3 Innovators Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of Ninepoint Web3 Innovators Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of Ninepoint Web3 Innovators Fund will be a beneficiary who, together with persons and partnerships with whom the beneficiary is affiliated, owns ETF Units that have a fair market value that is greater than 50% of the fair market value of all ETF Units.

Risk Rating of Ninepoint Web3 Innovators Fund

The Manager assigns a risk rating to Ninepoint Web3 Innovators Fund as an additional guide to help investors decide whether it is right for them. This information is only a guide. The Manager determines the risk rating for Ninepoint Web3 Innovators Fund in accordance with NI 81-102. The investment risk level of Ninepoint Web3 Innovators Fund is required to be determined in accordance with standardized risk classification methodology that is based on the historical volatility of Ninepoint Web3 Innovators Fund as measured by the 10-year standard deviation of the returns of Ninepoint Web3 Innovators Fund. Just as historical performance may not be indicative of future returns, Ninepoint Web3 Innovators Fund’s historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

Standard deviation is a statistical measure used to estimate the dispersion of a set of data around the average value of the data. In the context of investment returns, it measures the amount of variability of returns that has historically occurred relative to the average return. The higher the standard deviation, the greater the variability of returns it has experienced in the past.

Using this methodology, the Manager assigns a risk rating to Ninepoint Web3 Innovators Fund as either low, low to medium, medium, medium to high, or high risk as follows:

- **Low** – for funds with a level of risk typically associated with investments in Canadian fixed income funds and money market funds;
- **Low to Medium** – for funds with a level of risk typically associated with investments in balanced funds and global or corporate fixed income funds;
- **Medium** – for funds with a level of risk typically associated with investments in equity portfolios diversified among a number of large-capitalization Canadian or international equity securities;
- **Medium to High** – for funds with a level of risk typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for funds with a level of risk typically associated with investments in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (such as emerging markets or precious metals).

Ninepoint Web3 Innovators Fund’s risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional ETF Units. As Ninepoint Web3 Innovators Fund does not have at least 10 years of performance history, the Manager uses a reference index that is reasonably expected to approximate, the standard deviation of Ninepoint Web3 Innovators Fund as a proxy. There may be times when the Manager believes this methodology produces a result that does not reflect Ninepoint Web3 Innovators Fund’s risk based on other qualitative factors. As a result, the Manager may place Ninepoint Web3 Innovators Fund in a higher risk rating category, as appropriate. In determining the risk rating following the implementation of the Investment Objectives Change, the Manager has used a reference index for the entire 10-year period. The Manager will review the risk rating for Ninepoint Web3 Innovators Fund on an annual basis or if there has been a material change to Ninepoint Web3 Innovators Fund’s investment objectives or investment strategies.

A copy of the methodology used by the Manager to identify the investment risk levels of Ninepoint Web3 Innovators Fund is available on request, at no cost, by calling 1 (866) 299-9906. The risk rating set forth in the table below does not necessarily correspond to an investor’s risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding their personal circumstances.

Legal Name	Risk Rating
Ninepoint Web3 Innovators Fund	High

Ninepoint Web3 Innovators Fund’s risk classification is based on a reference blended index comprised of fifteen percent (15%) *S&P Bitcoin Index*, fifteen percent (15%) *S&P Ethereum Index* and seventy percent (70%) *Nasdaq 100 Index*.

DISTRIBUTION POLICY

Ninepoint Web3 Innovators Fund does not intend to pay regular distributions to Unitholders.

On an annual basis, Ninepoint Web3 Innovators Fund will ensure that its income and net realized capital gains, if any, have been distributed to Unitholders to such an extent that Ninepoint Web3 Innovators Fund will not be liable for ordinary income tax thereon. To the extent that Ninepoint Web3 Innovators Fund has not distributed the full amount of its net income or capital gains in any year, the difference between such amount and the amount actually distributed by Ninepoint Web3 Innovators Fund will be paid as a “reinvested distribution”. Reinvested distributions by Ninepoint Web3 Innovators Fund, net of any required withholding taxes, will be reinvested automatically in additional ETF Units at a price equal to the NAV per Unit and the ETF Units will be immediately consolidated such that the number of outstanding ETF Units following the distribution will equal the number of ETF Units outstanding prior to the distribution except to the extent that tax was required to be withheld from the distribution in respect of non-resident Unitholders.

In addition to the distributions described above, Ninepoint Web3 Innovators Fund may from time to time pay additional distributions on its ETF Units, including without restriction in connection with a special distribution or in connection with returns of capital.

PURCHASES OF UNITS

Offerings and Continuous Distribution

The ETF Units are listed for trading on the Toronto Stock Exchange (“**TSX**”) and are being issued and sold on a continuous basis. There is no maximum number of ETF Units that may be issued.

Designated Broker

The Manager, on behalf Ninepoint Web3 Innovators Fund, has entered into a Designated Broker Agreement with the Designated Broker pursuant to which the Designated Broker agreed to perform certain duties relating to Ninepoint Web3 Innovators Fund including, without limitation: (i) to subscribe for a sufficient number of ETF Units to satisfy the stock exchange’s original listing requirements; (ii) to subscribe for ETF Units on an ongoing basis in connection with the rebalancing of and adjustments to Ninepoint Web3 Innovators Fund’s portfolio when redemptions of ETF Units occur as described under “*Redemption and Exchange of Units – Redemption of Units*”; and (iii) to post a liquid two-way market for the trading of ETF Units on the stock exchange. The Manager may, in its discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties.

The Designated Broker Agreement provides that the Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for ETF Units for cash in a dollar amount not to exceed 0.30% of the NAV of Ninepoint Web3 Innovators Fund. The number of ETF Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a

subscription notice to the Designated Broker. Payment for the ETF Units must be made by the Designated Broker, and the ETF Units will be issued, by no later than the second Trading Day after the subscription notice has been delivered.

Issuance of Units To the Designated Broker and Dealers

All orders to purchase ETF Units directly from Ninepoint Web3 Innovators Fund must be placed by the Designated Broker or Dealers. Ninepoint Web3 Innovators Fund reserves the absolute right to reject any subscription order placed by the Designated Broker or Dealer. No fees will be payable by Ninepoint Web3 Innovators Fund to the Designated Broker or Dealer in connection with the issuance of ETF Units. On the issuance of ETF Units, the Manager may, in its discretion, charge a Redemption Fee to the Designated Broker or a Dealer to offset the expenses (including any applicable stock exchange additional listing fees) incurred in issuing the ETF Units.

On any Trading Day, the Designated Broker or Dealer may place a subscription order for the Prescribed Number of ETF Units (or an integral multiple thereof) of Ninepoint Web3 Innovators Fund. If a subscription order is received by Ninepoint Web3 Innovators Fund by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit), Ninepoint Web3 Innovators Fund will issue to the Designated Broker or Dealer the Prescribed Number of ETF Units (or an integral multiple thereof) by no later than the second Trading Day after the date on which the subscription order is accepted, provided that payment for such ETF Units has been received.

The Designated Broker or Dealer must deliver cash in an amount equal to the NAV of the ETF Units next determined following the receipt of the subscription order.

The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time. The Prescribed Number of Units will be available on Ninepoint Web3 Innovators Fund's website at www.ninepoint.com.

Buying and Selling Units

Investors are able to buy or sell ETF Units through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling ETF Units. Ninepoint Web3 Innovators Fund issues ETF Units directly to the Designated Broker and Dealers.

Special Considerations for Unitholders

The provisions of the so-called "early warning" requirements set out in Canadian securities legislation do not apply in connection with the acquisition of ETF Units. In addition, Ninepoint Web3 Innovators Fund has obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the ETF Units through purchases on the stock exchange without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to not vote more than 20% of the ETF Units at any meeting of Unitholders.

Non-Resident Unitholders

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the ETF Units. The Manager may require declarations as to the jurisdictions in which a beneficial owner of ETF Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the ETF Units then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such ETF Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and

practicable, requiring them to sell their ETF Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of ETF Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such ETF Units and, in the interim, shall suspend the voting and distribution rights attached to such ETF Units. Upon such sale, the affected holders shall cease to be beneficial holders of ETF Units and their rights shall be limited to receiving the net proceeds of sale of such ETF Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of Ninepoint Web3 Innovators Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of Ninepoint Web3 Innovators Fund as a mutual fund trust for purposes of the Tax Act.

Registration and Transfer through CDS

Registration of interests in, and transfers of, the ETF Units will be made only through CDS. ETF Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of ETF Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such ETF Units. Upon purchase of any ETF Units, the owner will receive only the customary confirmation and physical certificates evidencing ownership will not be issued. References in this prospectus to a holder of ETF Units mean, unless the context otherwise requires, the owner of the beneficial interest in such ETF Units.

Neither Ninepoint Web3 Innovators Fund nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in the ETF Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of ETF Units to pledge such ETF Units or otherwise take action with respect to such owner's interest in such ETF Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Ninepoint Web3 Innovators Fund has the option to terminate registration of the ETF Units through the book based system in which case certificates for ETF Units in fully registered form may be issued to beneficial owners of such ETF Units or to their nominees.

REDEMPTION AND EXCHANGE OF UNITS

Redemption of Units

On any Trading Day, Unitholders may redeem ETF Units for cash at a redemption price per ETF Unit equal to the lesser of 95% of (a) the closing price for the ETF Units on the stock exchange on the effective day of the redemption; and (b) the NAV per Unit. Because Unitholders will generally be able to sell ETF Units at the market price on the stock exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisors before redeeming their ETF Units for cash.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered to Ninepoint Web3 Innovators Fund at its registered office by 9:00 a.m. (Toronto time) on the Trading Day (or such later time on such Trading Day as the Manager may permit). If a cash redemption request is not received by the delivery deadlines noted immediately above on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price

will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Investors that redeem ETF Units prior to the distribution record date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of ETF Units, Ninepoint Web3 Innovators Fund may dispose of securities or other assets to satisfy the redemption.

Exchange of Units

On any Trading Day, Unitholders may exchange the Prescribed Number of ETF Units (or an integral multiple thereof) for cash.

To effect an exchange of ETF Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to Ninepoint Web3 Innovators Fund at its registered office by 9:00 a.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit). The exchange price will be equal to the NAV of the ETF Units on the effective day of the exchange request, payable by delivery of cash. The ETF Units will be redeemed in the exchange.

If an exchange request is not received by the submission deadlines noted immediately above on a Trading Day, the exchange order will be effective only on the next Trading Day. Settlement of exchanges will be made by no later than the second Trading Day after the effective day of the exchange request.

Unitholders should be aware that the NAV per Unit will decline on the date of declaration of any distribution payable in cash on ETF Units. A Unitholder that is no longer a holder of record on the applicable distribution record date will not be entitled to receive that distribution.

Requests for Exchange and Redemption

A Unitholder submitting an exchange or redemption request is deemed to represent to Ninepoint Web3 Innovators Fund and the Manager that: (i) it has full legal authority to tender the ETF Units for exchange or redemption and to receive the proceeds of the exchange or redemption; and (ii) the ETF Units have not been loaned or pledged and are not the subject of a repurchase agreement, securities lending agreement or a similar arrangement that would preclude the delivery of the ETF Units to Ninepoint Web3 Innovators Fund. The Manager reserves the right to verify these representations at its discretion. Generally, the Manager will require verification with respect to an exchange or redemption request if there are unusually high levels of exchange or redemption activity or short interest in Ninepoint Web3 Innovators Fund. If the Unitholder, upon receipt of a verification request, does not provide the Manager with satisfactory evidence of the truth of the representations, the Unitholder's exchange or redemption request will not be considered to have been received in proper form and will be rejected.

Suspension of Exchange and Redemption

The Manager may suspend the redemption of ETF Units or payment of redemption proceeds of Ninepoint Web3 Innovators Fund: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by Ninepoint Web3 Innovators Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of Ninepoint Web3 Innovators Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for Ninepoint Web3 Innovators Fund; or (ii) with the prior permission of the securities regulatory authorities for any period not exceeding 30 days during which the Manager determines that conditions exist that render impractical the sale of assets of Ninepoint Web3 Innovators Fund or that impair the ability of the Valuation Agent to determine the value of the assets of Ninepoint Web3 Innovators Fund. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the

termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over Ninepoint Web3 Innovators Fund, any declaration of suspension made by the Manager shall be conclusive.

Costs Associated with Exchange and Redemption

Unitholders who buy and sell ETF Units through the facilities of a stock exchange on which ETF Units are traded do not pay a fee directly to the Manager or Ninepoint Web3 Innovators Fund in respect of those purchases and sales.

An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of Ninepoint Web3 Innovators Fund may be charged by the Manager at its discretion, on behalf of Ninepoint Web3 Innovators Fund, to the Designated Broker and/or Dealers to offset certain transaction costs including brokerage expenses, commissions and other costs and expenses associated with the issue, exchange or redemption of ETF Units to or by such Designated Broker and/or Dealer. The Manager will publish the current Redemption Fee, if any, on its website, www.ninepoint.com.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, Ninepoint Web3 Innovators Fund may allocate and designate as payable any capital gains realized by Ninepoint Web3 Innovators Fund as a result of any disposition of property of Ninepoint Web3 Innovators Fund. In addition, Ninepoint Web3 Innovators Fund has the authority to distribute, allocate and designate any capital gains of Ninepoint Web3 Innovators Fund to a Unitholder of Ninepoint Web3 Innovators Fund who has redeemed or exchanged ETF Units during a year (“**Redeemer’s Gains**”). Any Redeemer’s Gains will reduce the redemption price otherwise payable to the redeeming or exchanging Unitholder.

Recent amendments to the Tax Act applicable to a trust that is a “mutual fund trust” for purposes of the Tax Act throughout a taxation year, prohibit Ninepoint Web3 Innovators Fund from deducting in the computation of its income, the portion of an amount paid to redeeming or exchanging Unitholders that is considered to be paid out of the income (other than taxable capital gains) of Ninepoint Web3 Innovators Fund and limit the ability of Ninepoint Web3 Innovators Fund to deduct the taxable capital gains payable to such Unitholders. Such income and taxable capital gains may be made payable to Unitholders that do not redeem or exchange their ETF Units so that Ninepoint Web3 Innovators Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to Unitholders of Ninepoint Web3 Innovators Fund that do not redeem or exchange their ETF Units may be greater than would have been the case in the absence of such amendments. See “*Canadian Federal Income Tax Considerations*”.

Exchange and Redemption of Units through CDS Participants

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds ETF Units. Beneficial owners of ETF Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold ETF Units sufficiently in advance of the cut-off times described above to allow such CDS Participants to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Short-Term Trading

At the present time, the Manager is of the view that it is not necessary to impose any short-term trading restrictions on Ninepoint Web3 Innovators Fund as ETF Units are generally traded by investors on an exchange in the secondary market in the same way as other listed securities. In the few situations where Ninepoint Web3 Innovators Fund are not purchased in the secondary market, purchases usually involve the Designated Broker or a Dealer upon

whom the Manager may impose a Redemption Fee, which is intended to compensate Ninepoint Web3 Innovators Fund for any costs and expenses incurred in relation to the trade.

PRIOR SALES

Price Range and Trading Volume of Units

The following chart provides the price ranges and monthly trading volume of units of Ninepoint Web3 Innovators Fund traded on the TSX for each calendar period indicated.

<u>Month</u>	<u>Market Price</u> <u>TKN.U</u>			<u>Market Price</u> <u>TKN</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
July 1-13, 2023	US\$9.00	US\$8.87	3,492	CAD\$12.77	CAD\$11.70	16,378
June, 2023	US\$8.76	US\$7.97	18,503	CAD\$11.58	CAD\$10.50	93,733
May 31, 2023	US\$8.20	US\$8.20	200	CAD\$11.60	CAD\$11.00	1,343
May 1-30, 2023 ^[1]	US\$8.61	US\$7.85	92,365	CAD\$11.62	CAD\$10.58	181,846
April 2023 ^[1]	US\$9.02	US\$8.20	17,782	CAD\$12.11	CAD\$10.85	114,904
March 2023 ^[1]	US\$8.50	US\$5.91	72,841	CAD\$11.55	CAD\$8.09	118,637
February 2023 ^[1]	US\$7.40	US\$6.37	57,971	CAD\$9.97	CAD\$8.51	42,283
January 2023 ^[1]	US\$6.82	US\$5.04	18,222	CAD\$9.21	CAD\$6.73	69,724
December 2022 ^[1]	US\$5.44	US\$4.96	7,501	CAD\$7.46	CAD\$6.64	57,207
November 2022 ^[1]	US\$6.18	US\$4.54	154,687	CAD\$8.52	CAD\$6.00	179,641
October 2022 ^[1]	US\$6.07	US\$5.45	11,799	CAD\$8.50	CAD\$7.59	40,858
September 2022 ^[1]	US\$6.35	US\$5.61	24,188	CAD\$8.61	CAD\$7.41	155,740
August 2022 ^[1]	US\$7.17	US\$5.95	12,745	CAD\$9.34	CAD\$7.66	47,973
July 2022 ^[1]	US\$7.04	US\$5.69	27,408	CAD\$9.18	CAD\$7.45	85,064
June 2022 ^[1]	US\$9.33	US\$5.69	30,989	CAD\$11.82	CAD\$7.22	123,969

^[1] Indicates price range and monthly trading volume data for Ninepoint Web3 Innovators Fund (formerly known as Ninepoint Bitcoin ETF) before the Investment Objectives Change.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act for Ninepoint Web3 Innovators Fund and for a prospective investor in Ninepoint Web3 Innovators Fund who, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds ETF Units as capital property, is not affiliated and deals at arm's length with Ninepoint Web3 Innovators Fund, and has not entered into a "derivative forward agreement" (as defined in the Tax Act) with respect to ETF Units. Generally, ETF Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such ETF Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder whose ETF Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such ETF Units, and any other "Canadian security", as defined in the Tax Act, owned by such Unitholder in the taxation year in which the election is made or any subsequent taxation year, deemed to be capital property. Unitholders who do not hold their ETF Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is based upon the current provisions of the Tax Act and regulations thereunder, the Tax Proposals and the Manager's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action, or changes in CRA's administrative policies and assessment practices, and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the ETF Units. The income and other tax consequences of acquiring, holding or disposing of ETF Units will vary depending on a Unitholder's particular status and circumstances, including the province or territory in which the Unitholder resides or carries on business. In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire ETF Units. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular Unitholder. Prospective investors should therefore consult their own tax advisors about their individual circumstances.

Status of Ninepoint Web3 Innovators Fund

Qualification as a "Mutual Fund Trust"

This summary is based on the assumption that Ninepoint Web3 Innovators Fund will comply at all material times with the conditions prescribed in the Tax Act to qualify as a "mutual fund trust" as defined in the Tax Act. Ninepoint Web3 Innovators Fund is expected to qualify as a "mutual fund trust" under the Tax Act at all material times. If Ninepoint Web3 Innovators Fund were not to qualify as a "mutual fund trust" for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

SIFT Rules

This summary assumes that at no time will Ninepoint Web3 Innovators Fund be a SIFT trust. The Manager intends to manage the affairs of Ninepoint Web3 Innovators Fund such that it will not become a SIFT Trust although there is no assurance that the Manager will be successful in this regard.

Eligibility for Registered Accounts

Based on the current provisions of the Tax Act, provided that Ninepoint Web3 Innovators Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the ETF Units continue to be listed on a "designated stock exchange" within the meaning of the Tax Act (which includes the TSX), ETF Units will be qualified investments for Registered Plans.

However, in the case of a TFSA, RDSP, FHSA, RRSP, RRIF or RESP, if the holder of such TFSA, RDSP or FHSA, the annuitant under such RRSP or RRIF or the subscriber of such RESP, as the case may be, holds a “significant interest” in Ninepoint Web3 Innovators Fund, or if such holder, annuitant or subscriber does not deal at arm’s length with Ninepoint Web3 Innovators Fund for purposes of the Tax Act, the ETF Units will be a “prohibited investment” for such TFSA, RDSP, FHSA, RRSP, RRIF or RESP. If ETF Units are a “prohibited investment” for a TFSA, RDSP, FHSA, RRSP, RRIF or RESP that acquires such ETF Units, the holder of the TFSA, RDSP or FHSA, annuitant under the RRSP or RRIF or subscriber of the RESP will be subject to a penalty tax as set out in the Tax Act. Generally, a holder, annuitant or subscriber will not be considered to have a “significant interest” in Ninepoint Web3 Innovators Fund unless the holder, annuitant or subscriber owns 10% or more of the value of the outstanding ETF Units, either alone or together with persons and partnerships with which the holder, annuitant or subscriber does not deal at arm’s length. Holders of TFSAs, RDSPs or FHSAs, annuitants under RRSPs or RRIFs and subscribers of RESPs should consult their own tax advisors to ensure that ETF Units would not be a “prohibited investment” for purposes of the Tax Act in their particular circumstances.

Taxation of Ninepoint Web3 Innovators Fund

Ninepoint Web3 Innovators Fund will be subject to tax under Part I of the Tax Act on its income for each taxation year, including taxable distributions received or deemed to be received on assets held by it, the taxable portion of capital gains realized by Ninepoint Web3 Innovators Fund on the disposition of capital property held by it, and other income, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders in the year. The Declaration of Trust requires that Ninepoint Web3 Innovators Fund distribute its net income and net realized capital gains, if any, for each taxation year of Ninepoint Web3 Innovators Fund to Unitholders to such an extent that Ninepoint Web3 Innovators Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of Ninepoint Web3 Innovators Fund and any capital gains refunds to which Ninepoint Web3 Innovators Fund is entitled). If, in a taxation year, the income for tax purposes of Ninepoint Web3 Innovators Fund exceeds the cash available for distribution by Ninepoint Web3 Innovators Fund, Ninepoint Web3 Innovators Fund will distribute its income through a payment of reinvested distributions.

Any losses incurred by Ninepoint Web3 Innovators Fund may not be allocated to Unitholders, but may generally be carried forward and deducted in computing the taxable income of Ninepoint Web3 Innovators Fund in accordance with the detailed rules and limitations in the Tax Act.

Ninepoint Web3 Innovators Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss if Ninepoint Web3 Innovators Fund acquires a property (a “substituted property”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and Ninepoint Web3 Innovators Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, Ninepoint Web3 Innovators Fund cannot deduct the loss until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net realized capital gains of Ninepoint Web3 Innovators Fund to be made payable to its Unitholders.

Ninepoint Web3 Innovators Fund is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

Taxation of Unitholders

A Unitholder will be required to include in the Unitholder’s income for tax purposes for any year the amount of net income and net taxable capital gains of Ninepoint Web3 Innovators Fund, if any, paid or payable to the Unitholder in the year and deducted by Ninepoint Web3 Innovators Fund in computing its income, whether or not such amounts are reinvested in additional ETF Units. The non-taxable portion of any net realized capital gains of Ninepoint Web3 Innovators Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder’s income for the year and, provided appropriate designations are made by Ninepoint Web3 Innovators Fund, will not reduce the adjusted cost base of the Unitholder’s ETF Units. Any returns of capital will reduce the Unitholder’s adjusted cost base. To the extent that a Unitholder’s adjusted cost base would otherwise be a

negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder's adjusted cost base will be nil immediately thereafter.

Provided that appropriate designations are made by Ninepoint Web3 Innovators Fund, such portion of the net realized taxable capital gains of Ninepoint Web3 Innovators Fund, and the taxable dividends received or deemed to be received by it on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply including an enhanced gross-up and dividend tax credit in respect of "eligible dividends" paid by taxable Canadian corporations. In addition, provided that appropriate designations are made by Ninepoint Web3 Innovators Fund in respect of foreign income or gains of Ninepoint Web3 Innovators Fund, for the purpose of computing any foreign tax credit available to a Unitholder, and subject to the rules in the Tax Act, the Unitholder will be deemed to have paid as tax to the government of a foreign country the Unitholder's share of the taxes paid or considered to be paid by Ninepoint Web3 Innovators Fund to that country.

Any loss of Ninepoint Web3 Innovators Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of Ninepoint Web3 Innovators Fund.

Composition of Distributions

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends from taxable Canadian corporations, taxable capital gains and returns of capital, as those items are applicable.

Tax Implications of Ninepoint Web3 Innovators Fund's Distribution Policy

When a Unitholder acquires ETF Units, a portion of the price may reflect income and capital gains of Ninepoint Web3 Innovators Fund that have not been realized or distributed. This may particularly be the case near year-end before year-end distributions have been made. When such income and capital gains are distributed by Ninepoint Web3 Innovators Fund, they must be taken into account by the Unitholder in computing the Unitholder's income for tax purposes even though such amounts may have been reflected in the price paid by the Unitholder.

Disposition of Units

Upon the actual or deemed disposition of an ETF Unit, including the exchange or redemption of an ETF Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the ETF Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the ETF Unit and any reasonable costs of disposition. The Unitholder's proceeds of disposition will not include an amount payable by Ninepoint Web3 Innovators Fund that the Unitholder is otherwise required to include in income, nor any Redeemer's Gains which Ninepoint Web3 Innovators Fund has allocated to the Unitholder in connection with an exchange or redemption.

In general, the adjusted cost base of all ETF Units held by the Unitholder is the total amount paid for the ETF Units (including brokerage commissions paid), regardless of when the Unitholder bought them, less any returns of capital and less the adjusted cost base of any ETF Units previously disposed of by the Unitholder. For the purpose of determining the adjusted cost base of ETF Units to a Unitholder, when ETF Units are acquired, the cost of the newly acquired ETF Units will be averaged with the adjusted cost base of all ETF Units owned by the Unitholder as capital property immediately before that time.

A consolidation of ETF Units following a distribution paid in the form of additional ETF Units will not be regarded as a disposition of ETF Units.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by Ninepoint Web3 Innovators Fund in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized must be deducted from taxable capital gains realized in the same taxation year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the provisions of the Tax Act.

Taxation of Registered Plans

In general, the amount of a distribution paid or payable to a Registered Plan from Ninepoint Web3 Innovators Fund and gains realized by a Registered Plan on a disposition of a ETF Unit will not be taxable under the Tax Act. Amounts withdrawn from a Registered Plan (other than from a TFSA, a return of contributions from an RESP, certain withdrawals from an RDSP or a qualifying withdrawal from an FHSA) will generally be subject to tax.

Alternative Minimum Tax

In general terms, in the case of a Unitholder that is an individual or trust (other than certain specified types of trusts), the Unitholder's liability for alternative minimum tax may be increased if Ninepoint Web3 Innovators Fund designates a portion of its income that it pays or makes payable to the Unitholder as net taxable capital gains or taxable dividends from taxable Canadian corporations, or if the Unitholder realizes a capital gain on the disposition or deemed disposition of ETF Units. The 2023 Federal Budget proposes amendments to the alternative minimum tax including to increase the tax rate, raise the exemption and broaden the base for taxation years that begin after 2023.

International Information Reporting

Ninepoint Web3 Innovators Fund is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the "IGA"). As long as ETF Units continue to be registered in the name of CDS or are approved to be listed on the stock exchange, Ninepoint Web3 Innovators Fund should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their ETF Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding ETF Units. If a Unitholder, or its controlling person(s), is a "Specified U.S. Person", as defined under the IGA (including a U.S. citizen who is a resident of Canada), if no such determination has been made but the information provided includes indicia of U.S. status and sufficient evidence to the contrary is not timely provided, or if the Unitholder fails to provide the requested information and indicia of U.S. status is present, then Part XVIII of the Tax Act will generally require information about the Unitholder's ETF Units held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS Rules"), Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. ("Reportable Jurisdictions") or by certain entities any of whose "controlling persons" are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in ETF Units to their dealer for the purpose of such information exchange, unless the ETF Units are held within a Registered Plan.

ORGANIZATION AND MANAGEMENT DETAILS

The Trustee, Manager and Promoter

Ninepoint Partners LP is the trustee and manager of Ninepoint Web3 Innovators Fund and provides or causes to be provided all administrative services required by Ninepoint Web3 Innovators Fund. The Manager may be considered to be a promoter of Ninepoint Web3 Innovators Fund within the meaning of applicable securities legislation by reason of its initiative in forming and establishing Ninepoint Web3 Innovators Fund.

The Manager is a leading alternative investment management firm overseeing approximately CAD\$8.0 billion in assets under management and institutional contracts. The Manager, through its parent company, is primarily owned by John Wilson and James Fox, both former senior executives of Sprott Asset Management LP with over 29 and 22 years of experience in the investment industry, respectively. John Wilson is the Ultimate Designated Person (as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*) of the Manager.

The head office and principal place of business of the Manager is at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, PO Box 27, Toronto, Ontario M5J 2J1. The general partner of the Manager is Ninepoint Partners GP Inc.

The Manager also serves as trustee of Ninepoint Web3 Innovators Fund pursuant to the Declaration of Trust and as such provides administrative services to Ninepoint Web3 Innovators Fund. See “*Declaration of Trust*”.

Officers and Directors of the Trustee, Manager and Promoter

Name and Municipality of Residence	Position with the Manager	Position with the General Partner of the Manager	Principal Occupation
John Wilson Toronto, Ontario	Senior Portfolio Manager, Managing Partner and Ultimate Designated Person	Co-Chief Executive Officer, Managing Partner and Director	Senior Portfolio Manager and Managing Partner of the Manager
James R. Fox Toronto, Ontario	Managing Partner	Co-Chief Executive Officer, Managing Partner and Director	Managing Partner of the Manager
Kirstin H. McTaggart Mississauga, Ontario	Partner, Chief Compliance Officer and Chief Administrative Officer	Partner, Chief Compliance Officer and Chief Administrative Officer and Director	Partner, Chief Compliance Officer and Chief Administrative Officer of the Manager
Shirin Kabani Toronto, Ontario	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer of the Manager
Alex Tapscott Toronto, Ontario	Advising Representative, Managing Director, Ninepoint Digital Asset Group, a division of the Manager	N/A	Managing Director, Ninepoint Digital Asset Group, a division of the Manager

Alex Tapscott, in his roles as Managing Director of Ninepoint Digital Asset Group, a division of the Manager, and Advising Representative with the Manager, provides the Manager, with ongoing analysis and company research in the digital asset space as well as regarding the digital asset sector more generally. In addition, Mr. Tapscott supports the investment management and marketing teams of the Manager, including but not limited to, with respect to Ninepoint Web3 Innovators Fund, in providing information regarding the digital asset space.

Set out below are the particulars of the professional experience of the directors and senior officers of the Manager:

John Wilson – Mr. Wilson established the Manager in April 2017. Mr. Wilson has over 29 years of investment and business experience. Mr. Wilson currently serves as the Senior Portfolio Manager and Managing Partner of the Manager and as Co-Chief Executive Officer of the general partner of the Manager. Most recently, Mr. Wilson was Chief Executive Officer and co-Chief Investment Officer of Sprott Asset Management LP. Prior to joining Sprott in January 2012, Mr. Wilson was the Chief Investment Officer of Cumberland Private Wealth Management from March 2009 to January 2012. Previously, Mr. Wilson was the founder of DDX Capital Partners, an alternative investment manager, where he worked from September 2004 to March 2009. Prior to that, from December 2000 to January 2004, he was a Managing Director and a top-rated technology analyst at RBC Capital Markets; and previously, a Director at UBS Canada from November 1996 to November 2000. Mr. Wilson is an MBA graduate of The Wharton School, University of Pennsylvania in 1996.

James Fox – Mr. Fox established the Manager with Mr. Wilson in April 2017. Mr. Fox currently serves as Managing Partner of the Manager and as Co-Chief Executive Officer of the general partner of the Manager. Prior to establishing the Manager, Mr. Fox was President of Sprott Asset Management LP. Mr. Fox led the launch of three Bullion Trust investment vehicles that are dually listed on NYSE Arca and TSX exchanges, raising approximately \$4B in assets. Furthermore, Mr. Fox helped lead the successful hostile take-over bid of +\$1B TSX listed Central Gold Trust by Sprott Physical Gold Trust. In 2009, Mr. Fox co-founded PayBright, a fintech company in consumer lending. Mr. Fox served as Chairman of the Board of Directors and Advisory Board. In 2019, PayBright, was awarded the FinTech Company of the Year at the 5th Annual Canadian FinTech & AI Awards. Mr. Fox holds a Masters of Business Administration degree from the Rotman School of Management at the University of Toronto (1999) and holds a B.A. in Finance and Economics at the University of Western Ontario (1996).

Kirstin McTaggart – Ms. McTaggart joined the Manager in July 2017 and is the Chief Compliance Officer and Chief Administrative Officer of the Manager. Prior to joining the Manager, Ms. McTaggart was Chief Compliance Officer of Sprott Asset Management LP since April 2007. Ms. McTaggart currently also serves as the Corporate Secretary of the general partner of the Manager. Ms. McTaggart has accumulated over 30 years of experience in the financial and investment industry. Prior to joining Sprott in April 2003, Ms. McTaggart spent five years as a Senior Manager at Trimark Investment Management Inc., where her focus was the development of formal compliance and internal control policies and procedures.

Shirin Kabani – Ms. Kabani is the Chief Financial Officer of the Manager and has over 15 years of experience in Finance, Planning, Budgeting and Accounting. Prior to joining the Manager, Ms. Kabani was a Senior Manager in Finance at Sprott Asset Management LP for approximately 2 years. Prior to joining Sprott Asset Management, Ms. Kabani was with IBM where she managed various operations and processes, including financial planning, forecasting, accounting, capital budgeting, cost management, governance and controls. Ms. Kabani received a Honors Bachelor of Commerce (High distinction) from McMaster University and is a CPA, CMA (Ontario).

Alex Tapscott – Mr. Tapscott is an entrepreneur, author and seasoned capital markets professional focused on the impact of Bitcoin, blockchain and other digital assets on business and financial markets. Mr. Tapscott is the co-author of the critically acclaimed non-fiction best-seller, *Blockchain Revolution*, which has been translated into more than 15 languages and has sold more than 500,000 copies worldwide. He is also the Editor and Co-author of *Financial Services Revolution* (January 2020). Mr. Tapscott is sought after world-wide for his expertise by business and government audiences. He has delivered over 200 lectures and executive briefings at firms like Goldman Sachs (Talks at GS), Google, Allianz, IBM, Microsoft and Accenture. His TedX talk, “Blockchain is Eating Wall Street” has been viewed over 700,000 times. Mr. Tapscott has also written for *The New York Times*, *Harvard Business Review*, *The Globe and Mail*, *National Post* and many other publications. In 2017, Mr. Tapscott co-founded the Blockchain Research Institute (BRI), a global think-tank investigating blockchain strategies, opportunities and use-cases.

Previously, Mr. Tapscott was Director of institutional equity sales at Canaccord Genuity. Mr. Tapscott is a graduate of Amherst College (Cum Laude) and is a CFA Charterholder.

Ownership of the Securities of the General Partner of the Manager

The sole limited partner of the Manager is Ninepoint Financial Group Inc. and the general partner of the Manager is wholly-owned by Ninepoint Financial Group Inc. John Wilson and James Fox, in the aggregate, indirectly own and/or control 100% of the class A common shares in the capital of Ninepoint Financial Group Inc. and, as of the date of this prospectus, 77.4% of the class B common shares in the capital of Ninepoint Financial Group Inc. John Wilson and James Fox expect their ownership of the class B common shares to be further diluted as a result of issuances under certain employee option and incentive plans.

Duties and Services to be Provided by the Manager

Ninepoint Web3 Innovators Fund has retained the Manager to manage and administer the day-to-day undertaking and affairs of Ninepoint Web3 Innovators Fund. The Manager is responsible for providing managerial, administrative and compliance services to Ninepoint Web3 Innovators Fund pursuant to the Declaration of Trust, including, without limitation, managing the portfolio of Ninepoint Web3 Innovators Fund and the acquisition and disposition of portfolio securities, calculating the NAV of Ninepoint Web3 Innovators Fund and NAV per ETF Unit, net income and net realized capital gains of Ninepoint Web3 Innovators Fund, authorizing the payment of operating expenses incurred on behalf of Ninepoint Web3 Innovators Fund, preparing financial statements and financial and accounting information as required by Ninepoint Web3 Innovators Fund, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that Ninepoint Web3 Innovators Fund complies with regulatory requirements and applicable stock exchange listing requirements, preparing Ninepoint Web3 Innovators Fund's reports to Unitholders and the securities regulatory authorities and negotiating contractual agreements with third-party providers of services, including the Custodian, the Registrar and Transfer Agent (each as defined herein), the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and advisory services to all or any portion of Ninepoint Web3 Innovators Fund's assets and in performing other duties of the Manager as set out in the Declaration of Trust.

Details of the Declaration of Trust

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders of Ninepoint Web3 Innovators Fund, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee and manager would exercise in similar circumstances.

The Manager may resign as trustee and manager of Ninepoint Web3 Innovators Fund upon 60 days' notice to the Unitholders. If the Manager resigns it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Declaration of Trust and such default has not been cured within 30 days after notice of the same has been given to the Manager, the Unitholders may remove the Manager and appoint a successor trustee and/or manager.

The Manager is entitled to fees for its services as manager under the Declaration of Trust as described under "*Fees and Expenses – Management Fees*". In addition, the Manager and its affiliates and each of their directors, officers, employees and agents will be indemnified by Ninepoint Web3 Innovators Fund for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against any of them in the exercise of the Manager's duties under the Declaration of Trust, if they do not result from the Manager's wilful misconduct, bad faith, gross negligence or breach of its standard of care thereunder.

The services of the Manager are not exclusive and nothing in the Declaration of Trust or any agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of Ninepoint Web3 Innovators Fund) or from engaging in other business activities.

Conflicts of Interest – Manager

The Manager and its affiliates or associates may be managers or investment managers of other trusts or funds that invest in the same or similar securities as Ninepoint Web3 Innovators Fund. The services of the Manager are not exclusive to Ninepoint Web3 Innovators Fund and none of the directors or officers of the Manager devotes his or her full time to the business and affairs of Ninepoint Web3 Innovators Fund. The Manager may in the future act as the manager or investment advisor to other trusts, funds and companies and may in the future act as the manager or investment advisor to other trusts which are considered competitors of Ninepoint Web3 Innovators Fund.

The general partner of the Manager is Ninepoint Partners GP Inc. Ninepoint Partners GP Inc. is a wholly-owned subsidiary of Ninepoint Financial Group Inc. Ninepoint Financial Group Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of the Manager. Ninepoint Financial Group Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of Sightline Wealth Management LP.

Sightline Wealth Management LP is a registered investment dealer participating in the offering of the units to its clients for which it will receive a service commission. The ETF may be considered to be “connected issuers” and “related issuers” of Sightline Wealth Management LP and the Manager under applicable securities legislation. Sightline Wealth Management LP, Sightline GP Inc. (the general partner of Sightline Wealth Management LP), the Manager and Ninepoint Partners GP Inc. are controlled, directly or indirectly, by the same group of individuals. James Fox is a dealing representative of Sightline Wealth Management LP.

The General Partner and the Manager

Ninepoint Financial Group Inc. wholly-owns the general partner of the Manager and is the sole limited partner of the Manager. The Manager is entitled to receive certain consideration from Ninepoint Web3 Innovators Fund and the Manager is reimbursed for certain of its expenses by Ninepoint Web3 Innovators Fund. Ninepoint Financial Group Inc., therefore, has an interest in the consideration paid to the Manager. See “*Fees and Expenses*”.

Management Conflicts

Conflicts may arise because none of the directors or officers of Ninepoint Web3 Innovators Fund and the Manager devotes his or her full time to the business and affairs of Ninepoint Web3 Innovators Fund.

Investment Opportunities and Duty of Care

The services of the Manager are not exclusive to Ninepoint Web3 Innovators Fund. The Manager may act as the investment advisor to other funds and may in the future act as the investment advisor to other funds which invest in the same or similar securities as Ninepoint Web3 Innovators Fund and which may have similar investment mandates to Ninepoint Web3 Innovators Fund. Conflicts of interest may arise from time to time in allocating investment opportunities, timing investment decisions and exercising rights in respect of and otherwise dealing with such securities. Where conflicts of interest arise, the Manager will address such conflicts of interest with regard to the investment objectives of each of the persons involved and will act in accordance with the duty of care owed to each of them.

Similarly, Ninepoint Financial Group Inc., certain of its affiliates and the directors and officers of the foregoing are and/or may in the future be actively engaged in a wide range of investment and management activities, some of which are or will be similar to and in competition with the business of Ninepoint Web3 Innovators Fund, including acting in the future as directors and officers of the general partners of other issuers engaged in the same business as Ninepoint Web3 Innovators Fund.

Independent Review Committee

The Independent Review Committee for Ninepoint Web3 Innovators Fund deals with conflict of interest matters presented to it by the Manager in accordance with NI 81-107. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of Ninepoint Web3 Innovators Fund and the other investment

funds managed by it, and request input from the Independent Review Committee on how it manages those conflicts of interest matters. NI 81-107 also requires the Manager to establish written policies and procedures outlining its management of those conflicts of interest. The Independent Review Committee provides its recommendations or approvals, as required, to the Manager with a view to the best interests of Ninepoint Web3 Innovators Fund. The Independent Review Committee reports annually to Unitholders as required by NI 81-107. The reports of the Independent Review Committee will be available free of charge from the Manager on request by contacting the Manager at invest@ninepoint.com and will be posted on the Manager's website at www.ninepoint.com. Information contained on the Manager's website is not part of this prospectus and is not incorporated herein by reference.

The current Independent Review Committee members are W. William Woods, Eamonn McConnell and Audrey Robinson. Lawrence A. Ward ceased to be a member of the IRC effective December 31, 2022, as his term ended. Audrey Robinson was appointed to the IRC effective January 1, 2023.

W. William Woods (Chair) – Mr. Woods is a consultant and a lawyer, and the former Chief Executive Officer of the Bermuda Stock Exchange.

Eamonn McConnell – Mr. McConnell is a consultant and a former managing director of Deutsche Bank (Europe and Asia).

Audrey Robinson – Ms. Robinson is a senior investment professional and president at ALR Group, Inc.

Each member of the Independent Review Committee is independent, as that term is defined in NI 81-107, of Ninepoint Web3 Innovators Fund and the Manager.

The compensation and other reasonable expenses of the Independent Review Committee are paid by Ninepoint Web3 Innovators Fund. The main components of compensation for members of the Independent Review Committee are an annual retainer and a fee for each committee meeting attended. The Chair of the Independent Review Committee receives an annual retainer of \$24,500 and each of the other members receives an annual retainer of \$21,000. The fees and expenses, plus associated legal costs, are allocated among all of the funds managed by the Manager to which NI 81-107 applies, in a manner that is considered by the Manager to be fair and reasonable. In addition, Ninepoint Web3 Innovators Fund has agreed to indemnify the members of the Independent Review Committee against certain liabilities.

Custodian

Under the Custodian Agreement, CIBC Mellon Trust Company of Toronto, Ontario has been appointed the custodian for Ninepoint Web3 Innovators Fund. This agreement may be terminated by either party upon providing 90 days' written notice, or immediately if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. CIBC Mellon Trust Company holds cash and securities on behalf of Ninepoint Web3 Innovators Fund and is responsible for ensuring that the cash and securities are safe and secure. All of such securities will be held by CIBC Mellon Trust Company with the exception of foreign portfolio securities, gold and precious minerals, if any, or at the offices of sub-custodians under arrangements made to the satisfaction and order of CIBC Mellon Trust Company and in compliance with applicable regulatory requirements. CIBC Mellon Trust Company holds title to the securities owned by Ninepoint Web3 Innovators Fund on behalf of Unitholders.

Auditor

Ernst & Young LLP is the independent auditor of Ninepoint Web3 Innovators Fund. The principal office of the auditor is located in Toronto, Ontario.

Registrar and Transfer Agent

TSX Trust Company acts as registrar and transfer agent for the ETF Units and maintains the securities registers at its office in Toronto, Ontario.

Administrator

The Manager has engaged CIBC Mellon Global Securities Services Company to provide certain administrative services to Ninepoint Web3 Innovators Fund including calculation of Net Asset Value and Net Asset Value per Unit and related fund accounting services. The principal office of the Administrator is located in Toronto, Ontario.

The Administrator is entitled to receive fees from Ninepoint Web3 Innovators Fund as described under “*Fees and Expenses – Fees and Expenses Payable by Ninepoint Web3 Innovators Fund – Ongoing Expenses of Ninepoint Web3 Innovators Fund*” and to be reimbursed for all expenses and liabilities which are properly incurred by the Administrator in connection with the activities of Ninepoint Web3 Innovators Fund.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Net Asset Value of Ninepoint Web3 Innovators Fund and the Net Asset Value per Unit is calculated by the Administrator as at 4:00 p.m. (Toronto time) or such other time as the Manager deems appropriate on each Valuation Date. Ninepoint Web3 Innovators Fund makes available to the financial press for publication on a daily basis, the Net Asset Value per Unit. Such amount is also be available on the Manager’s website at www.ninepoint.com.

Valuation Policies and Procedures

The Net Asset Value of Ninepoint Web3 Innovators Fund on a particular date will be equal to (i) the aggregate fair value of the assets of Ninepoint Web3 Innovators Fund less (ii) the aggregate fair value of the liabilities of Ninepoint Web3 Innovators Fund. The net asset value of ETF Units for each class of ETF Units on a particular date will be equal to the Net Asset Value of Ninepoint Web3 Innovators Fund allocated to the ETF Units of such class, including an allocation of any net realized capital gains or other amounts payable to Unitholders on or before such date. The Net Asset Value of Ninepoint Web3 Innovators Fund will be calculated in U.S. dollars. The Net Asset Value per Unit of a class on any day will be obtained by dividing the Net Asset Value of Ninepoint Web3 Innovators Fund allocated to the ETF Units of such class on such day by the number of ETF Units of that class then outstanding.

For the purposes of calculating Net Asset Value of Ninepoint Web3 Innovators Fund on a Valuation Date, the value of the aggregate assets of Ninepoint Web3 Innovators Fund on such Valuation Date will be determined by the Administrator as follows:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to shareholders of record on a date before the date as of which the net asset value of Ninepoint Web3 Innovators Fund is being determined), and interest accrued and not yet received shall be deemed to be the full amount thereof unless the Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;
- (b) the value of any security which is listed or dealt in upon a stock exchange shall be determined by (1) in the case of a security which was traded on the day as of which the net asset value of Ninepoint Web3 Innovators Fund is being determined, the closing sale price; (2) in the case of a security which was not traded on the day as of which the net asset value of Ninepoint Web3 Innovators Fund is being determined, a price which is the average of the closing recorded bid and ask prices; or (3) if no bid or ask quotation is available, the price last determined for such security for the purpose of calculating the net asset value of Ninepoint Web3 Innovators

Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; and provided however that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by Ninepoint Web3 Innovators Fund upon the disposal of shares or securities necessary to effect any redemptions of units, the Manager may place such value upon such shares or securities as appears to the Manager to most closely reflect the fair value of such shares or securities;

- (c) the value of any security, the resale of which is restricted or limited shall be the quoted market value less a percentage discount for illiquidity amortized over the length of the hold period;
- (d) a long position in an option or a debt-like security shall be valued at the current market value of the position;
- (e) for options written by Ninepoint Web3 Innovators Fund (1) the premium received by Ninepoint Web3 Innovators Fund for those options shall be reflected as a deferred credit and the option shall be valued at an amount equal to the current market value of the option that would have the effect of closing the position; (2) any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; (3) the deferred credit shall be deducted in calculating the net asset value per security of Ninepoint Web3 Innovators Fund; and (4) any securities that are the subject of a written option shall be valued at their current market value;
- (f) the value of a forward contract or swap shall be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;
- (g) the value of any security or other property for which no price quotations are available or in the opinion of the Manager, to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Manager shall from time to time provide;
- (h) the value of all assets and liabilities of Ninepoint Web3 Innovators Fund valued in terms of a currency other than the currency used to calculate Ninepoint Web3 Innovators Fund's net asset value shall be converted to the currency used to calculate Ninepoint Web3 Innovators Fund's net asset value by applying the rate of exchange obtained from the best available sources to the Manager;
- (i) the value of standardized futures shall be (1) if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on the date that valuation is made, the position in the standardized future were to be closed out; or (2) if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future; and
- (j) margin paid or deposited on standardized futures or forward contracts shall be reflected as an account receivable, and if not in the form of cash, shall be noted as held for margin.

Pursuant to paragraph (g) above, the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a valuation date at such times as the Manager, in its discretion, deems appropriate. For money market investments, such investments are valued at cost plus accrued interest and plus or minus amortization, including foreign currency translation, if applicable, which approximates market value.

The liabilities of Ninepoint Web3 Innovators Fund shall be deemed to include the following:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued;
- (c) all obligations for the payment of money or property, including the amount of any declared but unpaid distributions;

- (d) all allowances authorized or approved by the Manager for taxes or contingencies; and
- (e) all other liabilities of Ninepoint Web3 Innovators Fund of whatever kind and nature, except liabilities represented by outstanding units.

Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the net asset value per class of units made after the date on which the transaction becomes binding.

The Manager may declare a suspension of the calculation of the Net Asset Value per ETF Unit in the circumstances described under the heading “*Redemption and Exchange of Units – Suspension of Exchange and Redemption*”. There will be no calculation of Net Asset Value per ETF Unit during any suspension period and Ninepoint Web3 Innovators Fund will not be permitted to issue further ETF Units or redeem any ETF Units during this period.

Each portfolio transaction will be reflected in the calculation of the Net Asset Value per Unit no later than the calculation of Net Asset Value per Unit next made after the date on which the transaction becomes binding. The issue of ETF Units will be reflected in the calculation of Net Asset Value per Unit next made after the issue date for such ETF Units, which may be up to three trading days after the date that the subscription order for such ETF Units is accepted. The exchange or redemption of ETF Units will be reflected in the calculation of the Net Asset Value per Unit next made after the exchange request or redemption request is accepted.

The Net Asset Value per Unit of a class of Ninepoint Web3 Innovators Fund is calculated in U.S. dollars in accordance with the rules and policies of the Canadian Securities Administrators or in accordance with any exemption therefrom that Ninepoint Web3 Innovators Fund may obtain. The Net Asset Value per Unit of a class determined in accordance with the principles set out above may differ from the Net Asset Value per Unit determined under International Financial Reporting Standards.

Reporting of Net Asset Value

The Net Asset Value per Unit of a class is available to Unitholders at no cost on the Manager’s website at www.ninepoint.com posted daily and displaying the date upon which it was calculated.

ATTRIBUTES OF THE UNITS

Description of the Securities Distributed

Ninepoint Web3 Innovators Fund is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes of units, each of which represents an equal, undivided interest in the net assets of Ninepoint Web3 Innovators Fund.

On December 16, 2004, the *Trust Beneficiaries’ Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of the Province of Ontario. Ninepoint Web3 Innovators Fund is a reporting issuer under the *Securities Act* (Ontario) and Ninepoint Web3 Innovators Fund is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Certain Provisions of the Units

All ETF Units of the same class of Ninepoint Web3 Innovators Fund have equal rights and privileges. Each whole ETF Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with respect to any and all distributions made by Ninepoint Web3 Innovators Fund to Unitholders of the same class, including distributions of net income and net realized capital gains and distributions upon the termination of Ninepoint Web3 Innovators Fund. ETF Units are issued only as fully-paid and are non-assessable.

Exchange of Units

On any Trading Day, Unitholders may exchange the Prescribed Number of ETF Units (or an integral multiple thereof) for cash. See “*Redemption and Exchange of Units – Exchange of Units*”.

Redemption of Units for Cash

On any Trading Day, Unitholders may redeem ETF Units for cash at a redemption price per ETF Unit equal to the lesser of 95% of (i) the closing price for the ETF Units on a stock exchange on the effective day of the redemption; and (ii) the NAV per Unit on the effective day of the redemption. See “*Redemption and Exchange of Units – Redemption of Units for Cash*”.

Modification of Terms

All rights attached to the ETF Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “*Unitholder Matters – Amendments to the Declaration of Trust*”. The Manager may amend the Declaration of Trust from time to time to redesignate the name of Ninepoint Web3 Innovators Fund or to create a new class or series of units of Ninepoint Web3 Innovators Fund without notice to existing Unitholders of Ninepoint Web3 Innovators Fund.

UNITHOLDER MATTERS

Meeting of Unitholders

A meeting of the Unitholders of Ninepoint Web3 Innovators Fund voting as a single class (unless the circumstances are such that one class is affected differently in which case the holders of each class of Ninepoint Web3 Innovators Fund will vote separately) may be called at any time by the Manager and shall be called by the Manager upon the request of four or more Unitholders of Ninepoint Web3 Innovators Fund holding, in aggregate, at least 50% of the issued and outstanding ETF Units. Except as otherwise required or permitted by law, meetings of Unitholders of Ninepoint Web3 Innovators Fund will be held if called by the Manager or such Unitholders upon written notice of not less than 21 days nor more than 50 days before the meeting. At any meeting of the Unitholders of Ninepoint Web3 Innovators Fund, a quorum shall consist of two or more Unitholders present in person, virtually, or by proxy. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called at the request of Unitholders of Ninepoint Web3 Innovators Fund, shall be terminated (and not adjourned) and, if otherwise called, shall stand adjourned to such day being not less than one day later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders of Ninepoint Web3 Innovators Fund present either personally, virtually, or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. If the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as for the original meeting.

Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of Ninepoint Web3 Innovators Fund to be called to approve certain changes as follows:

1. the basis of the calculation of a fee or expense that is charged to Ninepoint Web3 Innovators Fund is changed in a way that could result in an increase in charges to Ninepoint Web3 Innovators Fund, except where:
 - (a) Ninepoint Web3 Innovators Fund is at arm’s length with the person or company charging the fees;

- (b) the Unitholders have received at least 60 days' notice before the effective date of the change; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of Ninepoint Web3 Innovators Fund;
- 2. a fee or expense is introduced that is to be charged to Ninepoint Web3 Innovators Fund or directly to its Unitholders by Ninepoint Web3 Innovators Fund or the Manager in connection with the holding of ETF Units that could result in an increase in charges to Ninepoint Web3 Innovators Fund or its Unitholders, except where:
 - (a) Ninepoint Web3 Innovators Fund is at arm's length with the person or company charging the fees;
 - (b) the Unitholders have received at least 60 days' notice before the effective date of the change; and
 - (c) the right to notice described in (b) is disclosed in the prospectus of Ninepoint Web3 Innovators Fund;
- 3. the Manager is changed, unless the new manager of Ninepoint Web3 Innovators Fund is an affiliate of the Manager;
- 4. the fundamental investment objectives of Ninepoint Web3 Innovators Fund has changed;
- 5. Ninepoint Web3 Innovators Fund decreases the frequency of calculating its NAV per Unit;
- 6. Ninepoint Web3 Innovators Fund undertakes a reorganization with, or transfers its assets to, another mutual fund, if Ninepoint Web3 Innovators Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of Ninepoint Web3 Innovators Fund becoming securityholders in the other mutual fund unless:
 - (a) the IRC of Ninepoint Web3 Innovators Fund has approved the change;
 - (b) Ninepoint Web3 Innovators Fund is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
 - (c) the Unitholders have received at least 60 days' notice before the effective date of the change;
 - (d) the right to notice described in (c) is disclosed in the prospectus of Ninepoint Web3 Innovators Fund; and
 - (e) the transaction complies with certain other requirements of applicable Canadian securities legislation;
- 7. Ninepoint Web3 Innovators Fund undertakes a reorganization (other than a Permitted Merger as defined below) with, or acquisition of assets of, a mutual fund trust, if:
 - (a) Ninepoint Web3 Innovators Fund continues after the reorganization or acquisition of assets;
 - (b) the transaction results in the securityholders of the mutual fund trust becoming Unitholders of Ninepoint Web3 Innovators Fund; and
 - (c) the transaction would be a material change to Ninepoint Web3 Innovators Fund;

8. a reorganization that results in Ninepoint Web3 Innovators Fund becoming a non-redeemable investment fund or an issuer that is not an investment fund; or
9. any matter which is required by the constating documents of Ninepoint Web3 Innovators Fund or by the laws applicable to Ninepoint Web3 Innovators Fund or by any agreement to be submitted to a vote of the Unitholders of Ninepoint Web3 Innovators Fund.

Approval of the foregoing matters will be deemed to have been given by a resolution passed by at least a majority of the votes cast at a meeting called and held for such purpose. Unitholders are entitled to one vote per whole ETF Unit held on the record date established for voting at any meeting of Unitholders.

Ninepoint Web3 Innovators Fund may, without Unitholders' approval, enter into a merger or other similar transaction that has the effect of combining Ninepoint Web3 Innovators Funds or their assets (a "**Permitted Merger**") with any other investment fund or funds managed by the Manager or an affiliate of the Manager that have investment objectives that are substantially similar to those of Ninepoint Web3 Innovators Fund, subject to:

1. approval of the merger by the IRC;
2. compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
3. written notice to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values for the purpose of such transaction.

In addition, the auditor of Ninepoint Web3 Innovators Fund may not be changed unless:

1. the IRC has approved the change; and
2. Unitholders have received at least 60 days' notice before the effective date of the change.

Amendments to the Declaration of Trust

The Manager may, without the approval of or notice to Unitholders, amend the Declaration of Trust for certain limited purposes specified therein, including to:

1. redesignate the name of Ninepoint Web3 Innovators Fund or to create a new class or series of ETF Units;
2. remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law or regulation applicable to or affecting Ninepoint Web3 Innovators Fund;
3. make any change or correction in the Declaration of Trust which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, or clerical omission;
4. bring the Declaration of Trust into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;
5. maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of Ninepoint Web3 Innovators Fund as a "mutual fund trust" and a "unit trust" for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation or administration thereof; or

6. provide added protection to Unitholders.

Except for changes to the Declaration of Trust which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Declaration of Trust may be amended from time to time by the Manager upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

Ninepoint Web3 Innovators Fund's fiscal year is the calendar year. The taxation year will be the calendar year or such other fiscal period permitted under the Tax Act as Ninepoint Web3 Innovators Fund elects. The annual financial statements of Ninepoint Web3 Innovators Fund shall be audited by Ninepoint Web3 Innovators Fund's auditor in accordance with Canadian generally accepted auditing standards. The auditor will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS. The Manager will ensure that Ninepoint Web3 Innovators Fund complies with all applicable reporting and administrative requirements.

The Manager, on behalf of Ninepoint Web3 Innovators Fund, will furnish Unitholders of Ninepoint Web3 Innovators Fund with unaudited interim financial statements, audited annual financial statements, interim MRFPs and the annual MRFPs of Ninepoint Web3 Innovators Fund, in accordance with applicable laws.

Any tax information necessary for Unitholders to prepare their annual federal income tax returns will be distributed to them within 90 days after the end of each financial year of Ninepoint Web3 Innovators Fund.

The Manager will keep adequate books and records reflecting the activities of Ninepoint Web3 Innovators Fund. A Unitholder or his or her duly authorized representative has the right to examine the books and records of Ninepoint Web3 Innovators Fund during normal business hours at the registered office of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of Ninepoint Web3 Innovators Fund.

TERMINATION OF NINEPOINT WEB3 INNOVATORS FUND

Ninepoint Web3 Innovators Fund may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. Upon termination of Ninepoint Web3 Innovators Fund, the cash and other assets remaining after paying or providing for all liabilities and obligations of Ninepoint Web3 Innovators Fund, determined in accordance with Ninepoint Web3 Innovators Fund's valuation policies and procedures, shall be distributed *pro rata* among the Unitholders of Ninepoint Web3 Innovators Fund.

The rights of Unitholders to exchange and redeem ETF Units described under "*Redemption and Exchange of Units*" will cease as and from the date of termination of Ninepoint Web3 Innovators Fund.

PRINCIPAL UNITHOLDERS OF NINEPOINT WEB3 INNOVATORS FUND

CDS & Co., the nominee of CDS, is the registered owner of the ETF Units, which it holds for various brokers and other persons on behalf of their clients and others.

No person or company owns of record or, to the knowledge of the ETF or the Manager, beneficially, directly or indirectly, more than 10% of the outstanding ETF Units.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Manager will receive fees for its services to Ninepoint Web3 Innovators Fund. See "*Fees and Expenses*".

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of ETF Units:

1. the Declaration of Trust (see “*Organization and Management Details – The Trustee, Manager and Promoter*”); and
2. the Custodian Agreement (see “*Organization and Management Details – Custodian*”).

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager.

LEGAL AND ADMINISTRATIVE PROCEEDINGS

Ninepoint Web3 Innovators Fund is not involved in any legal proceedings nor is the Manager aware of existing or pending legal or arbitration proceedings involving Ninepoint Web3 Innovators Fund.

Alex Tapscott, in his role as a co-founder and the Chief Executive Officer of NextBlock Global (“**NextBlock**”), as well as NextBlock itself, entered into a settlement agreement with the Ontario Securities Commission (the “**OSC**”) on April 9, 2019 that was subsequently ratified by the OSC on May 13, 2019. As part of the agreement, Mr. Tapscott and NextBlock each agreed to pay an administrative penalty in settlement of claims that offering materials provided to investors in 2017 in connection with a private placement of securities contained misleading statements. Mr. Tapscott’s administrative penalty by the terms of the settlement agreement was CAD\$300,000. In connection with the settlement agreement, Mr. Tapscott also agreed, among other things, to perform community service and publish an open letter in a national newspaper regarding the consequences of his actions. In addition, Mr. Tapscott also agreed to pay a US\$25,000 penalty to settle administrative proceedings with the SEC arising based upon the same offering materials. Since entering into the settlement agreement, NextBlock has been wound-up and has ceased operations. None of the Manager, the general partner of the Manager or any of their directors or principals were involved with Mr. Tapscott or NextBlock at the time the events giving rise to the settlement agreement occurred.

Mr. Tapscott was hired as Managing Director of Ninepoint Digital Asset Group, a division of the Manager, to leverage his expertise within the digital asset sector on October 30, 2020. Mr. Tapscott possesses a unique skill set focused on Bitcoin and blockchain technology which will lead the Digital Asset Group in its strategic initiatives. The Manager considered Mr. Tapscott’s settlement actions with the OSC and SEC prior to his hiring. Given Mr. Tapscott’s clear and public acknowledgment of responsibility, immediate remedial action and the fact that he took full accountability for the consequences of his actions, the Manager is confident that Alex fully understands the important role of oversight and regulation. Mr. Tapscott appreciates the importance of adhering to regulatory requirements in order to foster trust when operating in the digital asset sector or any other sector. In addition, the Manager’s leadership team has a long history in Canadian and global capital markets and has always built an organizational culture grounded in compliance, regulation and oversight, understanding that this is a key ingredient to fair and efficient financial markets.

EXPERTS

Certain legal matters in connection with the issuance and sale of the ETF Units offered by this prospectus will be passed upon on behalf of Ninepoint Web3 Innovators Fund by McCarthy Tétrault LLP, legal counsel to Ninepoint Web3 Innovators Fund.

The independent auditor of Ninepoint Web3 Innovators Fund is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants. Ernst & Young LLP is independent of Ninepoint Web3 Innovators Fund within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulations.

EXEMPTIONS AND APPROVALS

Ninepoint Web3 Innovators Fund has obtained exemptive relief from the Canadian securities regulatory authorities to permit the following:

- (i) the purchase by a Unitholder of Ninepoint Web3 Innovators Fund of more than 20% of the ETF Units through purchases on the stock exchange without regard to the take-over bid requirements of Canadian securities legislation;
- (ii) to relieve Ninepoint Web3 Innovators Fund from the requirement that a prospectus contain a certificate of the underwriters; and
- (iii) to relieve Ninepoint Web3 Innovators Fund from the requirement to include in the prospectus a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission as prescribed in item 36.2 of Form 41-101F2 - *Information Required in an Investment Fund Prospectus*.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or for non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

DOCUMENTS INCORPORATED BY REFERENCE

Additional information about Ninepoint Web3 Innovators Fund is or will be available in the following documents:

- (iv) the most recently-filed comparative annual financial statements of Ninepoint Web3 Innovators Fund, together with the accompanying report of the auditor;
- (v) any interim financial statements of Ninepoint Web3 Innovators Fund filed after the most recently-filed comparative annual financial statements of Ninepoint Web3 Innovators Fund;
- (vi) the most recently-filed annual MRFP of Ninepoint Web3 Innovators Fund;
- (vii) any interim MRFP of Ninepoint Web3 Innovators Fund filed after that most recently-filed annual MRFP of Ninepoint Web3 Innovators Fund; and
- (viii) the most recently filed ETF Facts of Ninepoint Web3 Innovators Fund.

These documents are or will be incorporated by reference in this prospectus, which means that they legally form part of this prospectus. An investor can get a copy of these documents, when available, upon request and at no cost by calling the Manager at (416) 362-7172 or by contacting a registered dealer. These documents are or will also be available on the Manager's website at www.ninepoint.com as well as on SEDAR at www.sedar.com. In addition, any such types of documents, if filed by Ninepoint Web3 Innovators Fund after the date of this prospectus and before the termination of the distribution of ETF Units, are deemed to be incorporated by reference into this prospectus.

CERTIFICATE OF NINEPOINT WEB3 INNOVATORS FUND AND THE TRUSTEE, MANAGER AND PROMOTER

Dated: July 14, 2023

This prospectus together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**Ninepoint Partners LP
(as trustee and manager of Ninepoint Web3 Innovators Fund)**

(signed) "*John Wilson*"
JOHN WILSON
CO-CHIEF EXECUTIVE OFFICER

(signed) "*Shirin Kabani*"
SHIRIN KABANI
CHIEF FINANCIAL OFFICER

**On behalf of the Board of Directors of
Ninepoint Partners LP**

(signed) "*John Wilson*"
JOHN WILSON
DIRECTOR

(signed) "*James R. Fox*"
JAMES R. FOX
DIRECTOR

(signed) "*Kirstin H. McTaggart*"
KIRSTIN H. MCTAGGART
DIRECTOR

**Ninepoint Partners LP
(as promoter of Ninepoint Web3 Innovators Fund)**

(signed) "*James R. Fox*"
JAMES R. FOX
CO-CHIEF EXECUTIVE OFFICER