



Ninepoint Diversified Bond Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2020

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The investment objective of the Ninepoint Diversified Bond Fund (the “Fund”) is to maximize the total return of the Fund and to provide income by investing primarily in debt and debt-like securities of corporate and government issuers from around the world. To achieve the Fund’s investment objective, the Fund will take a flexible approach in investing in debt instruments and the allocation will depend on the Portfolio Manager’s view of economic and market conditions. In addition, the Portfolio Manager will select the Fund’s investments in an effort to take advantage of the credit cycle and the difference in currencies, interest rates and credits between countries based on a global macroeconomic and political analysis. The Fund may also engage in securities lending, short-selling, invest in exchange-traded funds, and use derivatives, such as options, futures, forward contracts and swaps, in a manner which is consistent with the Fund’s investment objectives and permitted by securities regulations.

Risk

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for investors who seek regular income and the potential for capital growth and who want to share in the opportunities offered by debt securities issued by companies and countries from around the world. The Fund is suitable for investors with a low tolerance for risk and volatility and a medium to long-term investment horizon. There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period.

Results of Operations and Recent Developments

The Fund, Series A, returned 5.5% in 2020, while its benchmark, Bloomberg Barclays Canada Aggregate Total Return Index returned 8.4%.

The COVID-19 crisis and the associated global recession drove a large sell-off in risk assets (equities and corporate bonds) and a commensurate rally in gold and government bonds in late February and early March.

The response of central banks and governments across the world, including in the U.S. and Canada, supported their economies while in lockdown. Both the U.S. Federal Reserve Board and the Bank of Canada cut their policy rates to near zero and started large quantitative easing programs. By buying government, provincial and also corporate bonds, central banks effectively supported risk assets, and equities and credit rallied strongly.

The approval of vaccines late in 2020 led markets to anticipate the end of the pandemic, despite a second wave of the infections.

Ahead of the sell-off, the Manager had positioned the Fund defensively, holding U.S. and Canadian government bonds. High-yield bonds represented only 6% of the portfolio (mostly higher-quality issuers rated BB and BB+), and investment-grade corporate bonds were very short-term (30% of the Fund’s positions matured within 12 months). While the Fund saw negative performance in March, which was the worst month for the markets, the Fund’s total return was always positive on a year-to-date basis.

Once the worst of the crisis was past, credit spreads were very wide, meaning corporate bonds offered much higher yields than government bonds of the same maturity. In response, the Manager started to redeploy some of the Fund’s very short-term investment-grade corporate bonds into bonds with more attractive yields and maturities of five to 10 years. The Fund’s allocation to high-yield bonds modestly increased, primarily because of issuers whose credit rating was downgraded from investment-grade to high-yield. The Fund experienced strong performance after April as markets rebounded off the March lows.

In the summer, credit spreads became very tight, and the Fund took profits on positions that had outperformed. The Manager began reallocating assets, while remaining defensive.

In the late summer, interest rates bottomed as investors looked past the immediate weakness in the economy to anticipate the end of the pandemic. Long-term interest rates increased meaningfully, but remained far below their pre-pandemic levels. This increase in interest rates had a negative impact on the Fund’s performance due to the small but still meaningful position in government bonds.

The Fund’s holdings in government bonds, specifically 10-year and 30-year U.S. Treasury bonds and 30-year Government of Canada bonds, contributed significantly to performance over the period. Longer-duration “safe haven” government bonds benefited as central banks cut policy rates very rapidly. By the end of the period, the Fund’s exposure to government bonds had been significantly reduced.

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The Fund's low duration (a measure of sensitivity to changes in interest rates) in investment-grade corporate bonds early in the period also contributed to performance, while maintaining good portfolio liquidity. After central banks supported the market, the Manager shifted toward medium-term bonds with more attractive spreads and yields. This increased duration contributed to performance because credit spreads for many investment-grade bonds were extremely tight at the end of the period.

Individual detractors from the Fund's performance included a position in bonds issued by Cominar Real Estate Investment Trust and a small position in bonds issued by a small frac sand company. Real estate performed poorly as tenants stopped paying rent, but the Manager does not expect a default. Activity in the oil patch in Alberta slowed meaningfully, impacting the frac sand company's revenues, but the Manager expects no further write-downs.

The Fund's net asset value increased by 79.7% during the year, from \$434.6 million as at December 31, 2019 to \$780.9 million as at December 31, 2020. This change was predominantly due to net subscriptions of \$328.0 million and realized and unrealized gains on investments and derivatives of \$21.8 million, offset by net expenses of \$4.1 million.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 1.65% for Series A and Series T units, 1.20% for Series D units, 0.75% for Series F and Series FT units, 1.55% for Series P and Series PT units, 0.65% for Series PF and Series PFT units, 1.45% for Series Q and Series QT units, 0.55% for Series QF and Series QFT units, 0.75% for ETF Series and is negotiated by the unitholders for Series I. The management fee is calculated and accrued daily based on the daily net asset value of the applicable series of the Fund, and is paid monthly. For the year ended December 31, 2020, the Fund incurred management fees of \$1,956,073 (including taxes). For the active series, the breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Diversified Bond Fund – Series A	69%	31%
Ninepoint Diversified Bond Fund – Series D	67%	33%
Ninepoint Diversified Bond Fund – Series F	100%	–
Ninepoint Diversified Bond Fund – Series FT	100%	–
Ninepoint Diversified Bond Fund – Series P	41%	59%
Ninepoint Diversified Bond Fund – Series PF	100%	–
Ninepoint Diversified Bond Fund – Series PFT	100%	–
Ninepoint Diversified Bond Fund – Series QF	100%	–
Ninepoint Diversified Bond Fund – Series QFT	100%	–
Ninepoint Diversified Bond Fund – Series T	78%	22%
Ninepoint Diversified Bond Fund – ETF Series	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$2,907 during the year ended December 31, 2020 to Sightline Wealth Management, an affiliate of the Manager.

OPERATING EXPENSES

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

OTHER RELATED PARTY TRANSACTIONS

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

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Financial Highlights

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

The Fund's Net Assets per Unit¹

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	10.53	10.37	10.66	10.50	10.21
Increase (decrease) from operations:					
Total revenue	0.35	0.38	0.43	0.46	0.48
Total expenses	(0.24)	(0.20)	(0.21)	(0.23)	(0.22)
Realized gains (losses) for the period	0.13	(0.01)	(0.01)	0.47	0.24
Unrealized gains (losses) for the period	0.31	0.13	(0.28)	(0.24)	(0.01)
Total increase (decrease) from operations²	0.55	0.30	(0.07)	0.46	0.49
Distributions:					
From income (excluding dividends)	0.10	0.13	0.21	0.23	0.22
From dividends	–	0.02	0.01	–	–
From capital gains	0.03	0.01	–	0.06	–
Total annual distributions³	0.13	0.16	0.22	0.29	0.22
Net assets, end of period	10.95	10.53	10.37	10.66	10.50

	Dec 31, 2020	Dec 31, 2019 ⁶
Series D	\$	\$
Net assets, beginning of period	9.78	10.00
Increase (decrease) from operations:		
Total revenue	0.32	0.19
Total expenses	(0.20)	(0.11)
Realized gains (losses) for the period	0.13	0.11
Unrealized gains (losses) for the period	0.29	(0.21)
Total increase (decrease) from operations²	0.54	(0.02)
Distributions:		
From income (excluding dividends)	0.13	0.04
From dividends	–	0.03
From capital gains	0.06	0.00
Total annual distributions³	0.19	0.07
Net assets, end of period	10.14	9.78

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	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	10.74	10.56	10.85	10.69	10.36
Increase (decrease) from operations:					
Total revenue	0.35	0.36	0.44	0.47	0.50
Total expenses	(0.14)	(0.10)	(0.11)	(0.12)	(0.12)
Realized gains (losses) for the period	0.13	0.05	(0.03)	0.47	0.17
Unrealized gains (losses) for the period	0.35	0.06	(0.29)	(0.24)	0.07
Total increase (decrease) from operations²	0.69	0.37	0.01	0.58	0.62
Distributions:					
From income (excluding dividends)	0.18	0.21	0.30	0.34	0.31
From dividends	–	0.05	0.02	–	–
From capital gains	0.02	0.01	–	0.05	–
Total annual distributions³	0.20	0.27	0.32	0.39	0.31
Net assets, end of period	11.19	10.74	10.56	10.85	10.69

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series FT	\$	\$	\$	\$	\$
Net assets, beginning of period	8.83	8.82	9.23	9.36	9.36
Increase (decrease) from operations:					
Total revenue	0.29	0.29	0.37	0.40	0.45
Total expenses	(0.11)	(0.09)	(0.09)	(0.11)	(0.11)
Realized gains (losses) for the period	0.15	0.09	(0.03)	0.42	0.12
Unrealized gains (losses) for the period	0.01	(0.09)	(0.25)	(0.21)	(0.25)
Total increase (decrease) from operations²	0.34	0.20	-	0.50	0.21
Distributions:					
From income (excluding dividends)	0.20	0.18	0.38	0.52	0.52
From dividends	–	0.04	0.03	–	–
From capital gains	0.03	0.17	–	0.05	–
Return of capital	0.11	–	–	0.04	0.04
Total annual distributions³	0.34	0.39	0.41	0.61	0.56
Net assets, end of period	9.05	8.83	8.82	9.23	9.36

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series I	\$	\$	\$	\$	\$
Net assets, beginning of period	10.83	10.66	10.94	10.77	10.44
Increase (decrease) from operations:					
Total revenue	0.35	0.39	0.45	0.47	0.50
Total expenses	(0.04)	(0.03)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	0.12	–	(0.04)	0.51	0.17
Unrealized gains (losses) for the period	0.33	0.20	(0.29)	(0.30)	0.10
Total increase (decrease) from operations²	0.76	0.56	0.10	0.65	0.74
Distributions:					
From income (excluding dividends)	0.22	0.30	0.39	0.43	0.39
From dividends	–	0.06	0.02	–	–
From capital gains	0.05	0.01	–	0.06	–
Total annual distributions³	0.27	0.37	0.41	0.49	0.39
Net assets, end of period	11.26	10.83	10.66	10.94	10.77

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	Dec 31, 2020 ⁸	Dec 31, 2019	Dec 31, 2018 ⁵
	\$	\$	\$
Series P			
Net assets, beginning of period	9.98	9.95	10.00
Increase (decrease) from operations:			
Total revenue	0.06	0.12	0.07
Total expenses	(0.05)	(0.10)	(0.03)
Realized gains (losses) for the period	0.01	0.09	(0.04)
Unrealized gains (losses) for the period	0.08	(0.10)	(0.02)
Total increase (decrease) from operations²	0.10	0.01	(0.02)
Distributions:			
From income (excluding dividends)	0.01	0.02	0.03
From dividends	-	0.00	0.00
From capital gains	-	0.00	-
Total annual distributions³	0.01	0.02	0.03
Net assets, end of period	-	9.98	9.95

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016 ⁴
	\$	\$	\$	\$	\$
Series PF					
Net assets, beginning of period	10.33	10.15	10.44	10.28	10.00
Increase (decrease) from operations:					
Total revenue	0.34	0.33	0.43	0.45	0.30
Total expenses	(0.12)	(0.07)	(0.10)	(0.11)	(0.06)
Realized gains (losses) for the period	0.16	0.05	(0.01)	0.47	(0.22)
Unrealized gains (losses) for the period	0.28	(0.02)	(0.28)	(0.26)	0.43
Total increase (decrease) from operations²	0.66	0.29	0.04	0.55	0.45
Distributions:					
From income (excluding dividends)	0.21	0.21	0.31	0.34	0.18
From dividends	-	0.04	0.02	-	-
From capital gains	-	0.01	-	0.06	-
Total annual distributions³	0.21	0.26	0.33	0.40	0.18
Net assets, end of period	10.77	10.33	10.15	10.44	10.28

	Dec 31, 2020 ¹⁰
	\$
Series PFT	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.14
Total expenses	(0.06)
Realized gains (losses) for the period	0.02
Unrealized gains (losses) for the period	0.03
Total increase (decrease) from operations²	0.13
Distributions:	
From income (excluding dividends)	0.09
From dividends	-
From capital gains	0.06
Return of capital	0.05
Total annual distributions³	0.20
Net assets, end of period	9.93

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	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁵
	\$	\$	\$
Series QF			
Net assets, beginning of period	10.04	9.85	10.00
Increase (decrease) from operations:			
Total revenue	0.33	0.31	0.13
Total expenses	(0.10)	(0.07)	(0.02)
Realized gains (losses) for the period	0.12	0.18	(0.04)
Unrealized gains (losses) for the period	0.26	(0.58)	(0.12)
Total increase (decrease) from operations²	0.61	(0.16)	(0.05)
Distributions:			
From income (excluding dividends)	0.20	0.19	0.09
From dividends	–	0.04	0.01
From capital gains	–	0.02	–
Return of capital	–	–	–
Total annual distributions³	0.20	0.25	0.10
Net assets, end of period	10.48	10.04	9.85

	Dec 31, 2020 ⁹	Dec 31, 2019 ⁷	Dec 31, 2018 ⁵
	\$	\$	\$
Series QFT			
Net assets, beginning of period	10.00	9.81	10.00
Increase (decrease) from operations:			
Total revenue	0.25	0.31	0.13
Total expenses	(0.08)	(0.10)	(0.02)
Realized gains (losses) for the period	0.07	(0.01)	(0.04)
Unrealized gains (losses) for the period	0.47	0.19	(0.12)
Total increase (decrease) from operations²	0.71	0.39	(0.05)
Distributions:			
From income (excluding dividends)	0.19	0.22	0.12
From dividends	–	0.02	0.01
From capital gains	0.05	0.09	–
Return of capital	0.10	–	–
Total annual distributions³	0.34	0.33	0.13
Net assets, end of period	10.37	–	9.81

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
	\$	\$	\$	\$	\$
Series T					
Net assets, beginning of period	7.88	7.95	8.42	8.62	8.71
Increase (decrease) from operations:					
Total revenue	0.26	0.28	0.33	0.36	0.40
Total expenses	(0.18)	(0.17)	(0.17)	(0.19)	(0.19)
Realized gains (losses) for the period	0.11	0.01	(0.00)	0.38	0.16
Unrealized gains (losses) for the period	0.23	0.14	(0.21)	(0.18)	0.04
Total increase (decrease) from operations²	0.42	0.26	(0.05)	0.37	0.41
Distributions:					
From income (excluding dividends)	0.11	0.17	0.22	0.48	0.48
From dividends	–	0.02	0.02	–	–
From capital gains	0.03	0.17	–	0.05	–
Return of capital	0.17	–	–	0.04	0.04
Total annual distributions³	0.31	0.36	0.24	0.57	0.52
Net assets, end of period	7.99	7.88	7.95	8.42	8.62

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	Dec 31, 2020 ¹⁰
ETF Series	\$
Net assets, beginning of period	20.00
Increase (decrease) from operations:	
Total revenue	0.11
Total expenses	(0.07)
Realized gains (losses) for the period	(0.04)
Unrealized gains (losses) for the period	0.14
Total increase (decrease) from operations²	0.14
Distributions:	
From income (excluding dividends)	0.04
From dividends	0.01
From capital gains	0.13
Total annual distributions³	0.18
Net assets, end of period	20.09

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

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

3 Distributions were reinvested in additional units of the Fund, except for Series FT, QFT, PFT, and T which distribute in cash.

4 Information provided is for the period from May 19, 2016 (first issuance) to December 31, 2016 for Series PF.

5 Information provided is for the period from September 7, 2018 (first issuance) for Series QFT, from September 11, 2018 (first issuance) for Series QF and November 6, 2018 (first issuance) for Series P, to December 31, 2018.

6 Information provided for Series D is for the period from April 24, 2019 (first issuance) to December 31, 2019.

7 All outstanding Series QFT shares were fully redeemed on November 22, 2019.

8 All outstanding Series P shares were fully redeemed during the period ended December 31, 2020.

9 Information provided is for the period from March 26, 2020 (re-subscription) for Series QFT to December 31, 2020.

10 Information provided is for the period from July 28, 2020 (first issuance) for Series PFT and November 18, 2020 (first issuance) for ETF Series to December 31, 2020.

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Ratios and Supplemental Data

	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Series A					
Total net asset value (000s) ¹	\$43,402	\$29,978	\$24,744	\$25,087	\$30,342
Number of units outstanding ¹	3,961,939	2,845,842	2,386,748	2,353,177	2,889,334
Management expense ratio ²	1.99%	1.99%	1.98%	2.07%	2.10%
Management expense ratio before absorption ²	1.99%	1.99%	1.98%	2.07%	2.10%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$10.95	\$10.53	\$10.37	\$10.66	\$10.50
Series D					
	Dec 31, 2020	Dec 31, 2019			
Total net asset value (000s) ¹	\$169	\$69			
Number of units outstanding ¹	16,655	7,057			
Management expense ratio ²	1.72%	1.86%			
Management expense ratio before absorption ²	1.72%	1.86%			
Trading expense ratio ³	0.03%	0.02%			
Portfolio turnover rate ⁴	172.03%	185.78%			
Net asset value per unit ¹	\$10.14	\$9.78			
Series F					
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) ¹	\$133,543	\$71,725	\$36,365	\$17,557	\$24,769
Number of units outstanding ¹	11,938,723	6,679,899	3,443,458	1,618,701	2,317,672
Management expense ratio ²	0.99%	0.99%	0.98%	1.07%	1.10%
Management expense ratio before absorption ²	0.99%	0.99%	0.98%	1.07%	1.10%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$11.19	\$10.74	\$10.56	\$10.85	\$10.69
Series FT					
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) ¹	\$3,641	\$6,611	\$1,288	\$595	\$697
Number of units outstanding ¹	402,358	748,721	146,047	64,397	74,498
Management expense ratio ²	1.00%	0.99%	0.96%	1.06%	1.09%
Management expense ratio before absorption ²	1.00%	0.99%	0.96%	1.06%	1.09%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$9.05	\$8.83	\$8.82	\$9.23	\$9.36
Series I					
	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) ¹	\$512,222	\$262,562	\$318,261	\$134,994	\$114,745
Number of units outstanding ¹	45,505,537	24,253,258	29,861,261	12,338,209	10,649,718
Management expense ratio ²	0.14%	0.15%	0.15%	0.23%	0.26%
Management expense ratio before absorption ²	0.14%	0.15%	0.15%	0.23%	0.26%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$11.26	\$10.83	\$10.66	\$10.94	\$10.77

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Series P	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	–	\$4,229	\$994
Number of units outstanding ¹	–	423,756	99,964
Management expense ratio ²	–	1.87%	1.91%
Management expense ratio before absorption ²	–	1.87%	1.91%
Trading expense ratio ³	–	0.02%	0.03%
Portfolio turnover rate ⁴	–	185.78%	117.99%
Net asset value per unit ¹	–	\$9.98	\$9.95

Series PF	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) ¹	\$17,655	\$18,525	\$7,175	\$7,485	\$7,098
Number of units outstanding ¹	1,638,622	1,793,391	706,864	716,988	690,327
Management expense ratio ²	0.88%	0.87%	0.89%	0.97%	1.00%
Management expense ratio before absorption ²	0.88%	0.87%	0.89%	0.97%	1.00%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$10.77	\$10.33	\$10.15	\$10.44	\$ 10.28

Series PFT	Dec 31, 2020
Total net asset value (000s) ¹	\$3,013
Number of units outstanding ¹	303,431
Management expense ratio ²	0.89%
Management expense ratio before absorption ²	0.89%
Trading expense ratio ³	0.03%
Portfolio turnover rate ⁴	172.03%
Net asset value per unit ¹	\$9.93

Series QF	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$60,257	\$39,203	\$704
Number of units outstanding ¹	5,751,398	3,902,787	71,411
Management expense ratio ²	0.76%	0.72%	0.75%
Management expense ratio before absorption ²	0.76%	0.72%	0.75%
Trading expense ratio ³	0.03%	0.02%	0.03%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%
Net asset value per unit ¹	\$10.48	\$10.04	\$9.85

Series QFT	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$4,289	–	\$1,609
Number of units outstanding ¹	413,479	–	163,980
Management expense ratio ²	0.77%	–	0.78%
Management expense ratio before absorption ²	0.77%	–	0.78%
Trading expense ratio ³	0.03%	–	0.03%
Portfolio turnover rate ⁴	172.03%	–	117.99%
Net asset value per unit ¹	\$10.37	–	\$9.81

Ninepoint Diversified Bond Fund

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Series T	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) ¹	\$1,674	\$1,705	\$2,041	\$2,642	\$3,069
Number of units outstanding ¹	209,511	216,492	256,672	313,960	356,163
Management expense ratio ²	1.98%	2.00%	2.00%	2.09%	2.12%
Management expense ratio before absorption ²	1.98%	2.00%	2.00%	2.09%	2.12%
Trading expense ratio ³	0.03%	0.02%	0.03%	0.05%	0.04%
Portfolio turnover rate ⁴	172.03%	185.78%	117.99%	348.33%	248.79%
Net asset value per unit ¹	\$7.99	\$7.88	\$7.95	\$8.42	\$8.62

ETF Series	Dec 31, 2020
Total net asset value (000s) ¹	\$1,005
Number of units outstanding ¹	50,000
Management expense ratio ²	1.03%
Management expense ratio before absorption ²	1.03%
Trading expense ratio ³	0.03%
Portfolio turnover rate ⁴	172.03%
Net asset value per unit ¹	\$20.09

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

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

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

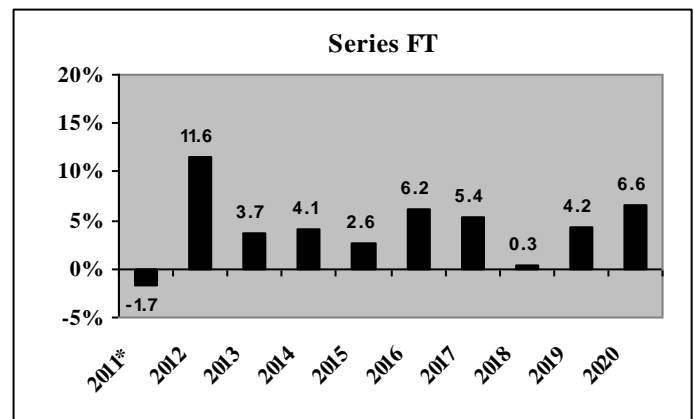
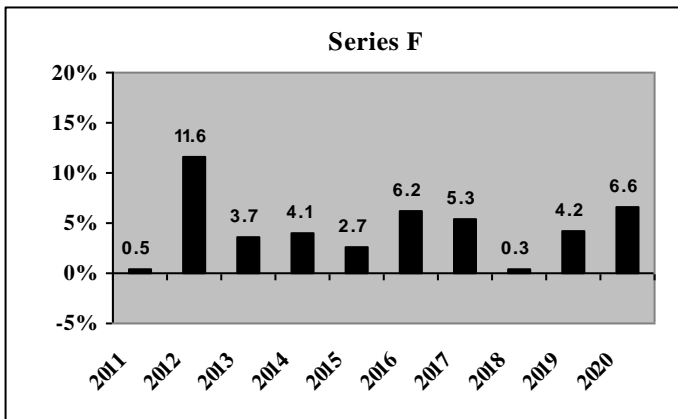
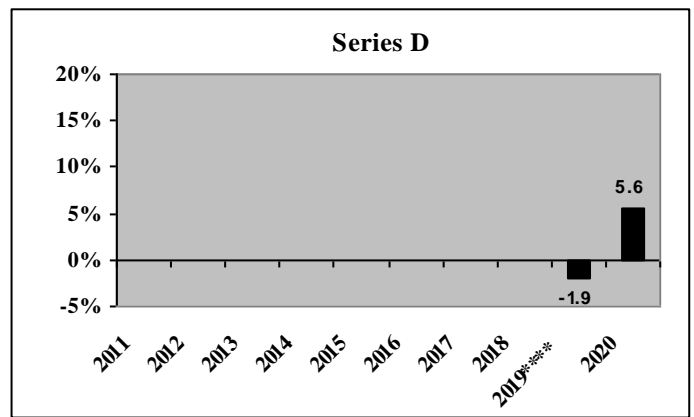
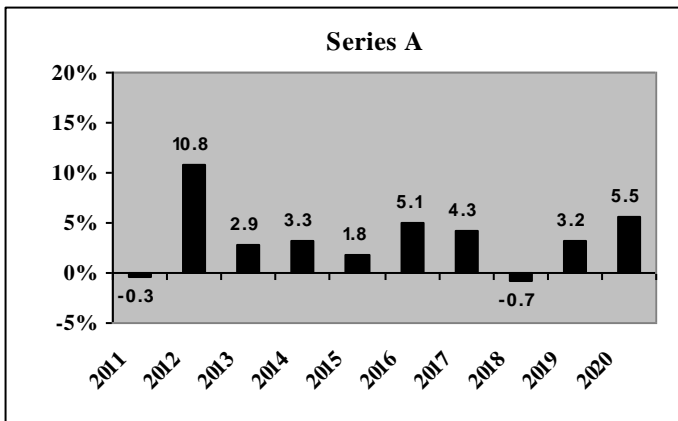
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio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

Past Performance

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

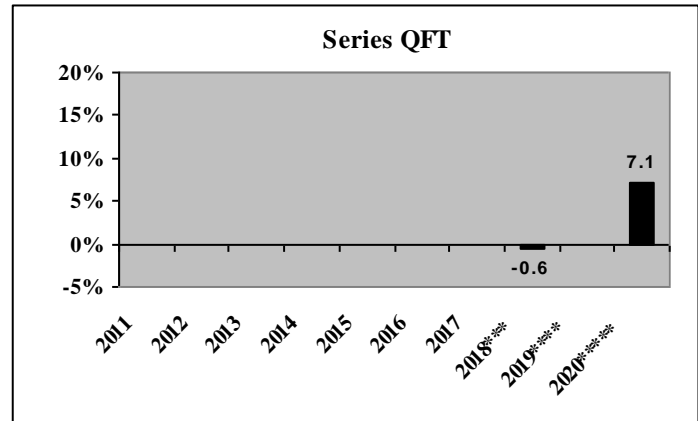
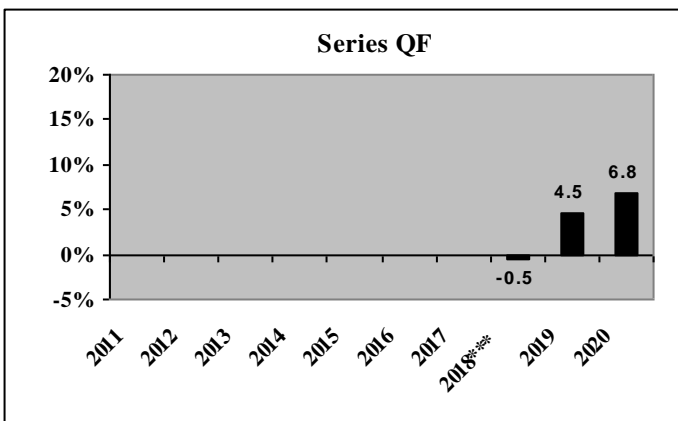
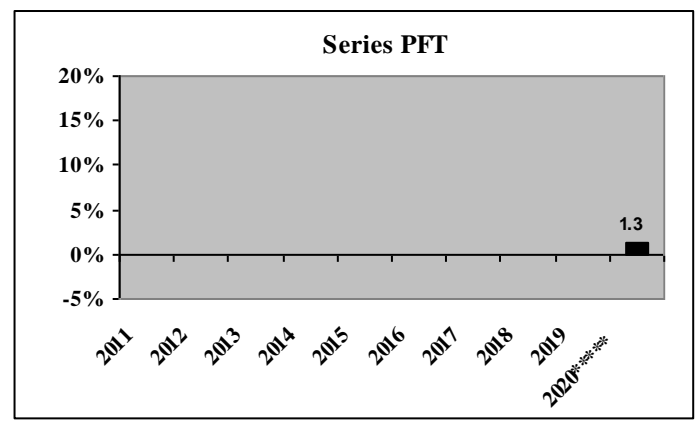
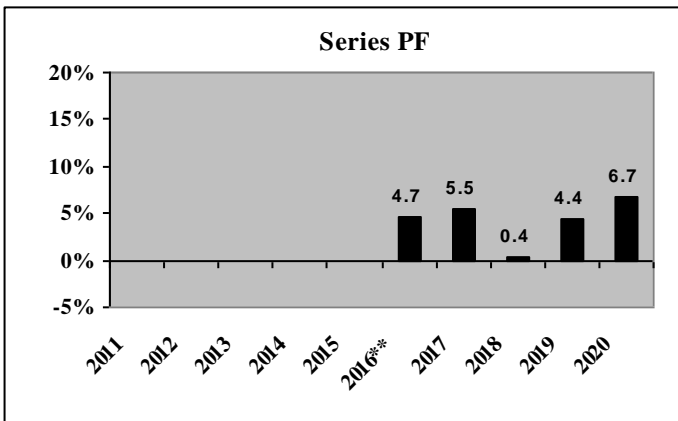
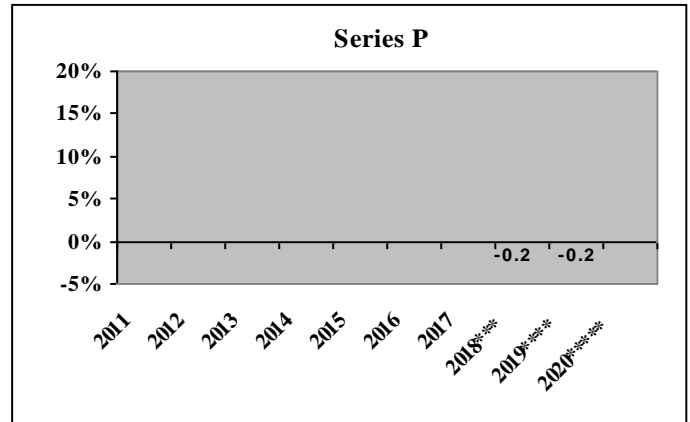
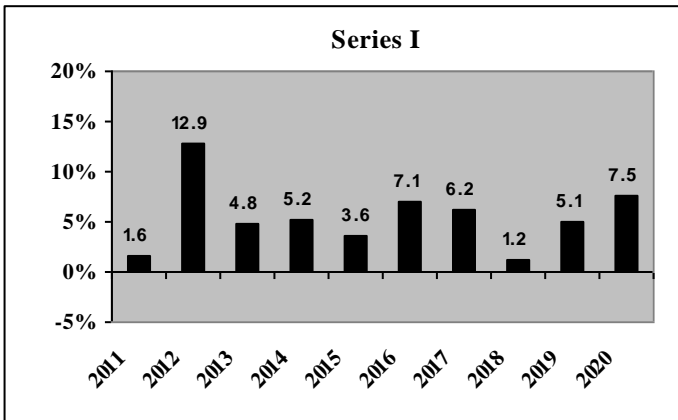
Year-by-Year Returns

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



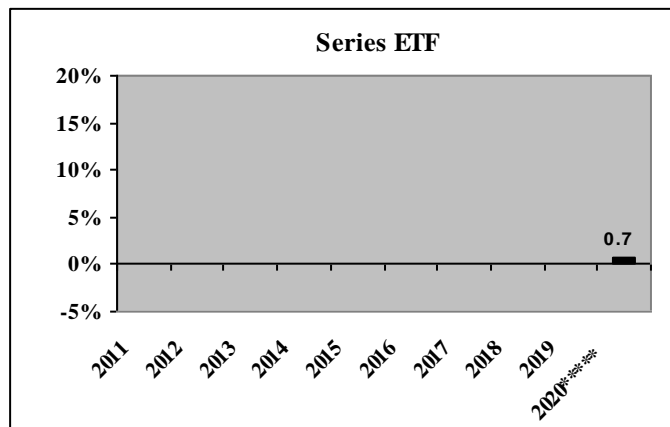
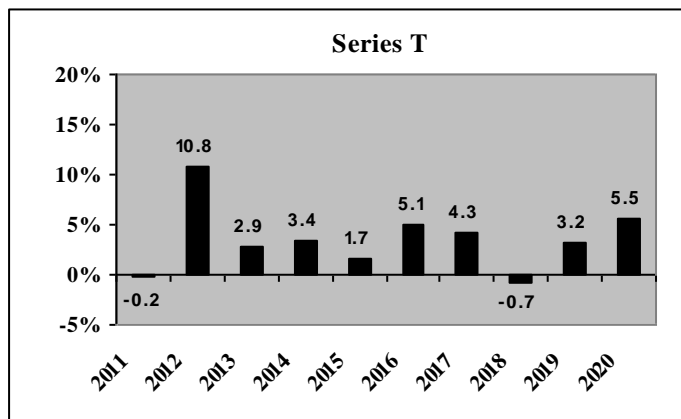
Ninepoint Diversified Bond Fund

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Ninepoint Diversified Bond Fund

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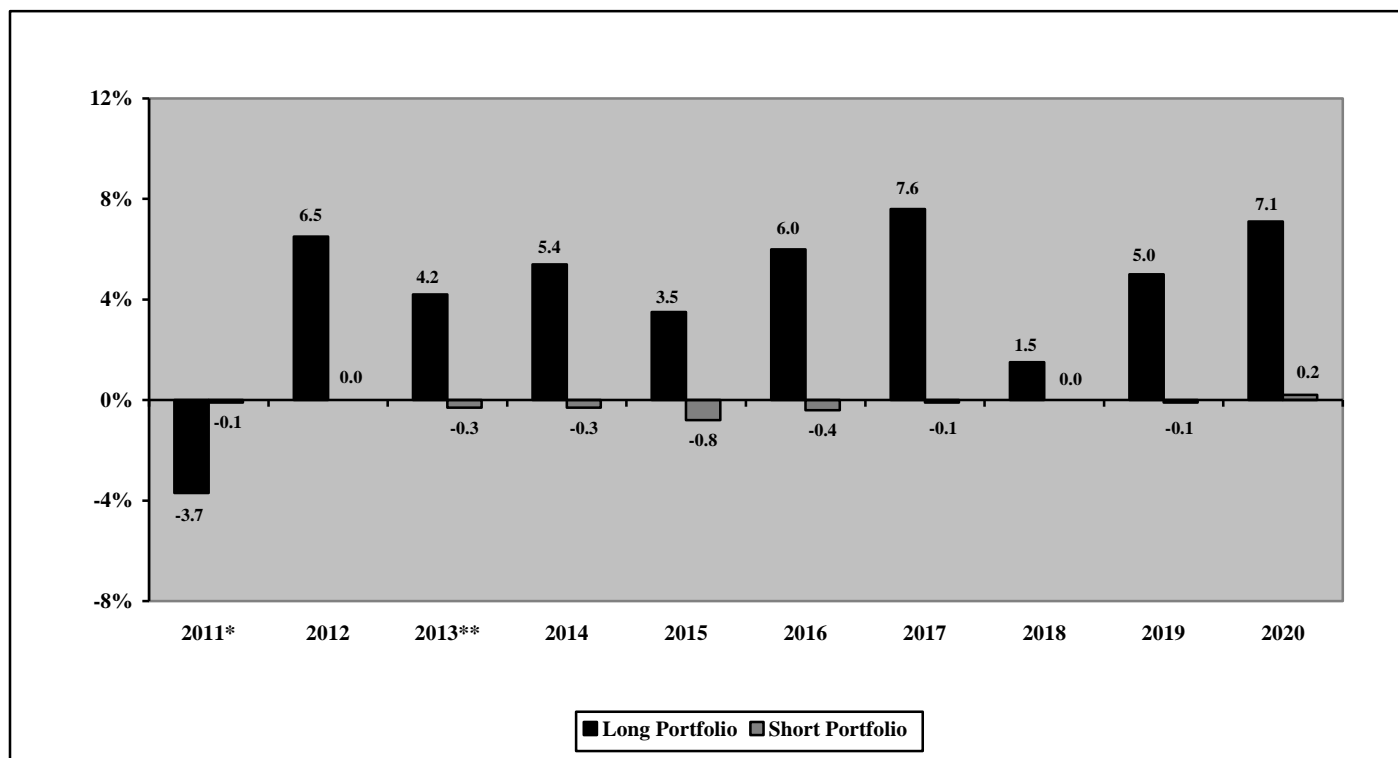
- * Return from September 22, 2011 (first issuance) to December 31, 2011 for Series FT (not annualized).
- ** Return from May 19, 2016 (first issuance) to December 31, 2016 for Series PF (not annualized).
- *** Return from September 7, 2018 (first issuance) for Series QFT, September 11, 2018 (first issuance) for Series QF and November 6, 2018 (first issuance) for Series P, to December 31, 2018 (not annualized).
- **** Return from August 28, 2019 (re-subscription) for Series D and December 24, 2019 (re-subscription) for Series P, to December 31, 2019 (not annualized). Series QFT units were fully redeemed during the year-ended December 31, 2019.
- ***** Return from March 26, 2020 (re-subscription) for Series QFT (not annualized), July 28, 2020 (first issuance) for Series PFT and November 18, 2020 (first issuance) for Series ETF, to December 31, 2020 (not annualized). Series P units were fully redeemed during the year-ended December 31, 2020.

Ninepoint Diversified Bond Fund

December 31, 2020

Long and Short Portfolio Returns

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



* The Fund did not hold short portfolio positions prior to 2011.

** The returns shown prior to 2013 do not include the return associated with distributions to unitholders.

Ninepoint Diversified Bond Fund

December 31, 2020

Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD) (the “Index”). The Index measures the investment grade, Canadian dominated, fixed-rate bond market and it includes treasuries, government-related, corporate and securitized issues from developed and emerging markets issuers. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Index, the performance of the Fund is not expected to equal the performance of the Index.

	1-Year	3-Years	5-Years	10-Years	Since Inception*
Ninepoint Diversified Bond Fund – Series A	5.5%	2.7%	3.5%	3.6%	3.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	4.1%	4.1%	4.4%
Ninepoint Diversified Bond Fund – Series D	5.6%	–	–	–	2.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	–	–	–	4.6%
Ninepoint Diversified Bond Fund – Series F	6.6%	3.7%	4.5%	4.5%	4.6%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	4.1%	4.1%	4.4%
Ninepoint Diversified Bond Fund – Series FT	6.6%	3.7%	4.5%	–	4.6%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	4.1%	–	4.0%
Ninepoint Diversified Bond Fund – Series I	7.5%	4.6%	5.4%	5.5%	5.5%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	4.1%	4.1%	4.5%
Ninepoint Diversified Bond Fund – Series PF	6.7%	3.8%	–	–	4.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	–	–	4.0%
Ninepoint Diversified Bond Fund – Series PFT	–	–	–	–	1.3%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	–	–	–	–	0.3%
Ninepoint Diversified Bond Fund – Series QF	6.8%	–	–	–	4.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	–	–	–	7.2%
Ninepoint Diversified Bond Fund – Series QFT	–	–	–	–	7.1%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	–	–	–	–	7.1%
Ninepoint Diversified Bond Fund – Series T	5.5%	2.6%	3.6%	3.6%	3.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	8.4%	5.5%	4.1%	4.1%	4.4%
Ninepoint Diversified Bond Fund – Series ETF	–	–	–	–	0.7%
Bloomberg Barclays Canada Aggregate Treasury Total Return Index (CAD)	–	–	–	–	1.0%
Long portfolio	7.1%	4.5%	5.4%		
Short portfolio	0.2%	0.1%	-0.1%		

* Since launch date of August 5, 2010 for Series A, Series F and Series T, December 2, 2010 for Series I, September 22, 2011 for Series FT, May 19, 2016 for Series PF, September 11, 2018 for Series QF, August 28, 2019 for Series D, March 26, 2020 (re-subscription) for Series QFT, July 28, 2020 for PFT and November 18, 2020 for ETF. Returns for Series P are not shown as there were no units outstanding as at December 31, 2020.

Ninepoint Diversified Bond Fund

December 31, 2020

Summary of Investment Portfolio

As at December 31, 2020

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Investment Grade Bonds	64.9
High Yield Bonds	10.5
Government Bonds	8.9
Short-term Investments	6.9
Asset-Backed Securities	5.3
Preferred Equities	3.2
Funds	2.2
Structured Notes	0.5
Equities	0.0
Total Long Positions	102.4
Short Positions	
Funds	(4.3)
Total Short Positions	(4.3)
Cash	1.3
Other Net Assets	0.6
Total Net Asset Value	100.0

Portfolio Allocation by Geographic Region

	% of Net Asset Value
Canada	89.3
United States	6.6
United Kingdom	1.2
Saudi Arabia	1.0
Total Positions	98.1
Cash	1.3
Other Net Assets	0.6
Total Net Asset Value	100.0

Top Long 25 Positions

Issuer	% of Net Asset Value
U.S. Treasury Note, 1.375%, Aug 15, 2050	4.9
Government of Canada, 0.250%, Aug 1, 2022	3.0
iShares 20+ Year Treasury Bond ETF	2.1
MCAP Commercial L.P., 5.000%, Dec 14, 2022	1.8
Rogers Communications Inc., 5.340%, Mar 22, 2021	1.7
Cash	1.3
Cenovus Energy Inc., Callable, 3.000%, Aug 15, 2022	1.2
The Empire Life Insurance Company, Callable, 3.383%, Dec 16, 2026	1.2
Fairstone Financial Issuance Trust I, 3.948%, Mar 21, 2033	1.2
Ryder Truck Rental Canada Limited, 0.000%, Jan 19, 2021	1.2
Co-operators Financial Services Limited, Callable, 3.327%, May 13, 2030	1.1
Royal Bank of Canada, Callable, 4.000%, Feb 24, 2081	1.0
Nissan Canada Financial Services Inc., 3.150%, Sep 14, 2021	1.0
Royal Bank of Canada, Callable, 3.310%, Jan 20, 2026	1.0
Bell Canada Inc., Callable, 3.500%, Sep 30, 2050	1.0
Saudi Arabian Oil Company, 2.250%, Nov 24, 2030	1.0
SNC-Lavalin Group Inc., 3.235%, Mar 2, 2023	1.0
GE Capital Funding LLC, Callable, 4.400%, May 15, 2030	1.0
Fairfax Financial Holdings Limited, 4.500%, Mar 22, 2023	1.0
Bank of Montreal, Callable, 2.077%, Jun 17, 2030	0.9
Teck Resources Limited, Callable, 3.900%, Jul 15, 2030	0.9
Equitable Bank, 1.876%, Nov 26, 2025	0.9
General Motors Financial of Canada Limited, 5.950%, May 14, 2024	0.9
Canadian Western Bank, 2.788%, Sep 13, 2021	0.9
Chartwell Retirement Residences, Callable, 3.786%, Dec 11, 2023	0.9
Total 25 long positions as a percentage of Net Asset Value	34.1

All Short Positions

Issuer	% of Net Asset Value
SPDR Bloomberg Barclays High Yield Bond ETF	(4.3)
All short positions as a percentage of Net Asset Value	(4.3)

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.ninepoint.com. In addition, the simplified prospectus and other information about the underlying funds are available on the internet at www.ninepoint.com or www.sedar.com

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