



# Ninepoint Focused U.S. Dividend Class

*(formerly, Sprott Focused U.S. Dividend Class)*

Ninepoint Corporate Class Inc.

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

# 2018

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The interim 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 interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at [www.ninepoint.com](http://www.ninepoint.com) or SEDAR at [www.sedar.com](http://www.sedar.com) or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The investment objective of the Ninepoint Focused U.S. Dividend Class (formerly, *Sprott Focused U.S. Dividend Class*) (the “Fund”) is to provide consistent income and capital appreciation by investing primarily in a diversified portfolio of dividend yielding U.S. equities.

To achieve the Fund’s investment objective, the Portfolio Advisor follows a fundamental, bottom-up approach to investing. The Fund will invest in dividend yielding U.S. equities, foreign securities, and other mutual funds and may also:

- invest in private placements, and indirectly in physical commodities other than gold through investments in commodity ETFs;
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income;
- engage in short selling in a manner which is consistent with the investment objective of the Fund; and
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies.

### Risk

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for those investors seeking the consistent income and capital appreciation potential of dividend yielding U.S. equities. The Fund is suitable for investors with a medium tolerance for risk and volatility and a medium to long-term investment horizon.

### Results of Operations and Recent Developments

The Fund, Series A, returned 3.4% in the first half of 2018, compared to a 7.3% return for the S&P 500 Total Return Index benchmark (in Canadian dollars).

Despite a series of interest-rate increases by the U.S. Federal Reserve Board, the U.S. yield curve flattened (a yield curve which reflects little or no difference between short-term and long-term interest rates). Although economic growth remained solid, U.S. 10-year bond yields came under pressure amid fears of a global trade war and generally low interest rates around the world. The U.S. dollar strengthened during the second quarter of 2018 as U.S. economic growth outpaced most regions across the rest of the world and fears of a global trade war led investors to seek safety in their investments.

At the end of the first half of 2018, the Fund held overweight exposures to the energy, industrials and information technology sectors and an underweight allocation to the health care, consumer discretionary and consumer staples sectors. All three of the Fund’s overweight sector allocations had a positive contribution to performance. Top individual contributors to performance included MasterCard Inc., Microsoft Corp. and S&P Global Inc., all of which demonstrated consistent revenue, earnings and cash-flow growth.

Exposure to the consumer discretionary and materials sectors detracted from the Fund’s performance. Individual detractors from performance included Comcast Corp., MGM Resorts International and Brookfield Asset Management Inc. Comcast Corp.’s bid to acquire Sky PLC caused its stock to trade lower. MGM Resorts International’s stock fell after it issued a lower-than-expected forecast for revenue per available room. Brookfield Asset Management Inc. was negatively impacted during the first quarter of 2018 as the U.S. 10-year bond yield broke out of a three-year trading range.

As the yield curve flattened, the Manager reduced the Fund’s exposure to the financials sector (which generally benefits from a steeper yield curve) to an underweight allocation and added to exposures in the real estate and utilities sectors (which generally benefit from a flatter yield curve). The Manager also reduced the Fund’s significantly overweight position to the industrials sector, though it still remains somewhat above market weight.

The Manager employed currency hedges at various times during the first half of 2018, and may look to add U.S. and Canadian dollar hedges over the balance of 2018, if rhetoric surrounding North American Free Trade Agreement negotiations heats up, in order to reduce currency-related volatility in the Fund.

The Fund’s net asset value decreased by 9.9% during the period, from \$11.5 million as at December 31, 2017 to \$10.4 million as at June 30, 2018. This change was predominantly due to net redemptions of \$1.4 million. The management expense ratio increased compared to the prior period.

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Ninepoint Partners LP is the manager and portfolio advisor of the Fund. Prior to August 1, 2017, Sprott Asset Management LP was the manager and portfolio advisor of the Fund. Ninepoint Partners LP assumed the portfolio management of the Canadian diversified asset business of Sprott Asset Management LP on August 1, 2017.

## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager, at an annual rate of up to 2.00% for Series A shares, 1.95% for Series A1 shares, 1.50% for Series D shares, 1.00% for Series F shares, 0.95% for Series F1 shares, 1.80% for Series P shares, 0.80% for Series PF shares, 1.70% for Series Q shares, 0.70% for Series QF shares and as negotiated by the shareholders 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 six-month period ended June 30, 2018, the Fund incurred management fees of \$93,156 (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 Focused U.S. Dividend Class – Series A	56%	44%
Ninepoint Focused U.S. Dividend Class – Series A1	36%	64%
Ninepoint Focused U.S. Dividend Class – Series F	100%	–
Ninepoint Focused U.S. Dividend Class – Series F1	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$248 during the six-month period ended June 30, 2018, to SP Wealth, an affiliate of the manager.

### OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as shareholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions can be terminated at any time without notice. For the six-month period ended June 30, 2018, the Manager absorbed \$22,481 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 the six-month period ended June 30, 2018 and each of the previous twelve-month periods ended December 31 shown, unless otherwise noted.

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

	<b>Jun 30, 2018</b>	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015 <sup>4</sup>
	\$	\$	\$	\$
Series A				
Net assets, beginning of period	<b>10.71</b>	10.00	9.96	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.12	0.16	0.01
Total expenses	<b>(0.16)</b>	(0.25)	(0.27)	(0.03)
Realized gains (losses) for the period	<b>0.17</b>	0.57	(0.40)	(0.04)
Unrealized gains (losses) for the period	<b>0.29</b>	0.52	1.24	0.07
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.36</b>	0.96	0.73	0.01
<b>Distributions:</b>				
Return of capital	<b>0.19<sup>6</sup></b>	0.35	0.35	0.03
<b>Total annual distributions<sup>3</sup></b>	<b>0.19</b>	0.35	0.35	0.03
<b>Net assets, end of period</b>	<b>10.89</b>	10.71	10.00	9.96

	<b>Jun 30, 2018</b>	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015 <sup>4</sup>
	\$	\$	\$	\$
Series A1				
Net assets, beginning of period	<b>10.72</b>	10.00	9.96	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.13	0.16	0.01
Total expenses	<b>(0.16)</b>	(0.25)	(0.26)	(0.03)
Realized gains (losses) for the period	<b>0.17</b>	0.61	(0.08)	(0.03)
Unrealized gains (losses) for the period	<b>0.32</b>	0.49	0.92	0.17
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.39</b>	0.98	0.74	0.12
<b>Distributions:</b>				
Return of capital	<b>0.19<sup>6</sup></b>	0.35	0.35	0.03
<b>Total annual distributions<sup>3</sup></b>	<b>0.19</b>	0.35	0.35	0.03
<b>Net assets, end of period</b>	<b>10.90</b>	10.72	10.00	9.96

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	<b>Jun 30, 2018</b>	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015 <sup>4</sup>
	\$	\$	\$	\$
Series F				
Net assets, beginning of period	<b>10.96</b>	10.12	9.97	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.13	0.16	0.01
Total expenses	<b>(0.10)</b>	(0.13)	(0.14)	(0.02)
Realized gains (losses) for the period	<b>0.17</b>	0.55	0.53	(0.04)
Unrealized gains (losses) for the period	<b>0.32</b>	0.60	(0.13)	0.07
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.45</b>	1.15	0.42	0.02
<b>Distributions:</b>				
Return of capital	<b>0.19<sup>6</sup></b>	0.35	0.35	0.03
<b>Total annual distributions<sup>3</sup></b>	<b>0.19</b>	0.35	0.35	0.03
<b>Net assets, end of period</b>	<b>11.21</b>	10.96	10.12	9.97

	<b>Jun 30, 2018</b>	Dec 31, 2017	Dec 31, 2016 <sup>5</sup>
	\$	\$	\$
Series F1			
Net assets, beginning of period	<b>11.22</b>	10.35	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	<b>0.06</b>	0.13	0.12
Total expenses	<b>(0.09)</b>	(0.13)	(0.12)
Realized gains (losses) for the period	<b>0.18</b>	0.60	(0.69)
Unrealized gains (losses) for the period	<b>0.36</b>	0.54	1.48
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.51</b>	1.14	0.79
<b>Distributions:</b>			
Return of capital	<b>0.20<sup>6</sup></b>	0.36	0.28
<b>Total annual distributions<sup>3</sup></b>	<b>0.20</b>	0.36	0.28
<b>Net assets, end of period</b>	<b>11.48</b>	11.22	10.35

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

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

3 Distributions were reinvested in additional shares of the Fund or distributed in cash.

4 Information provided is for the period November 26, 2015 (launch date) for Series A, Series A1, and Series F to December 31, 2015.

5 Information provided is for the period from March 14, 2016 (first issuance) to December 31, 2016 for Series F1.

6 The final allocation of distributions for the period ended June 30, 2018 between income, dividends, capital gains and return of capital will be determined at December 31, 2018.

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## Ratios and Supplemental Data

Series A	Jun 30, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Total net asset value (000s) <sup>1</sup>	\$2,854	\$2,809	\$1,138	\$360
Number of shares outstanding <sup>1</sup>	262,159	262,274	113,837	36,088
Management expense ratio <sup>2</sup>	2.79%	2.24%	2.38%	2.33%
Management expense ratio before waivers or absorptions <sup>3</sup>	3.19%	3.15%	3.06%	7.00%
Trading expense ratio <sup>4</sup>	0.09%	0.18%	0.32%	0.70%
Portfolio turnover rate <sup>5</sup>	49.27%	129.28%	145.33%	7.66%
Net asset value per share <sup>1</sup>	\$10.89	\$10.71	\$10.00	\$9.96

Series A1	Jun 30, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Total net asset value (000s) <sup>1</sup>	\$3,128	\$3,780	\$5,489	\$1,144
Number of shares outstanding <sup>1</sup>	287,047	352,619	548,679	114,846
Management expense ratio <sup>2</sup>	2.76%	2.20%	2.27%	2.22%
Management expense ratio before waivers or absorptions <sup>3</sup>	3.18%	3.04%	3.20%	6.74%
Trading expense ratio <sup>4</sup>	0.09%	0.18%	0.32%	0.70%
Portfolio turnover rate <sup>5</sup>	49.27%	129.28%	145.33%	7.66%
Net asset value per share <sup>1</sup>	\$10.90	\$10.72	\$10.00	\$9.96

Series F	Jun 30, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Total net asset value (000s) <sup>1</sup>	\$2,849	\$3,080	\$3,986	\$5,645
Number of shares outstanding <sup>1</sup>	254,184	280,916	393,829	566,008
Management expense ratio <sup>2</sup>	1.65%	1.14%	1.21%	1.13%
Management expense ratio before waivers or absorptions <sup>3</sup>	2.07%	1.98%	2.53%	5.73%
Trading expense ratio <sup>4</sup>	0.09%	0.18%	0.32%	0.70%
Portfolio turnover rate <sup>5</sup>	49.27%	129.28%	145.33%	7.66%
Net asset value per share <sup>1</sup>	\$11.21	\$10.96	\$10.12	\$9.97

Series F1	Jun 30, 2018	Dec 31, 2017	Dec 31, 2016
Total net asset value (000s) <sup>1</sup>	\$1,529	\$1,833	\$2,598
Number of shares outstanding <sup>1</sup>	133,252	163,285	250,944
Management expense ratio <sup>2</sup>	1.59%	1.05%	1.25%
Management expense ratio before waivers or absorptions <sup>3</sup>	2.05%	1.90%	1.57%
Trading expense ratio <sup>4</sup>	0.09%	0.18%	0.32%
Portfolio turnover rate <sup>5</sup>	49.27%	129.28%	145.33%
Net asset value per share <sup>1</sup>	\$11.48	\$11.22	\$10.35

1 The information is provided as at June 30, 2018 and December 31 of the years shown prior to 2018.

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 daily average net asset value during the period.

3 The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

4 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.

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

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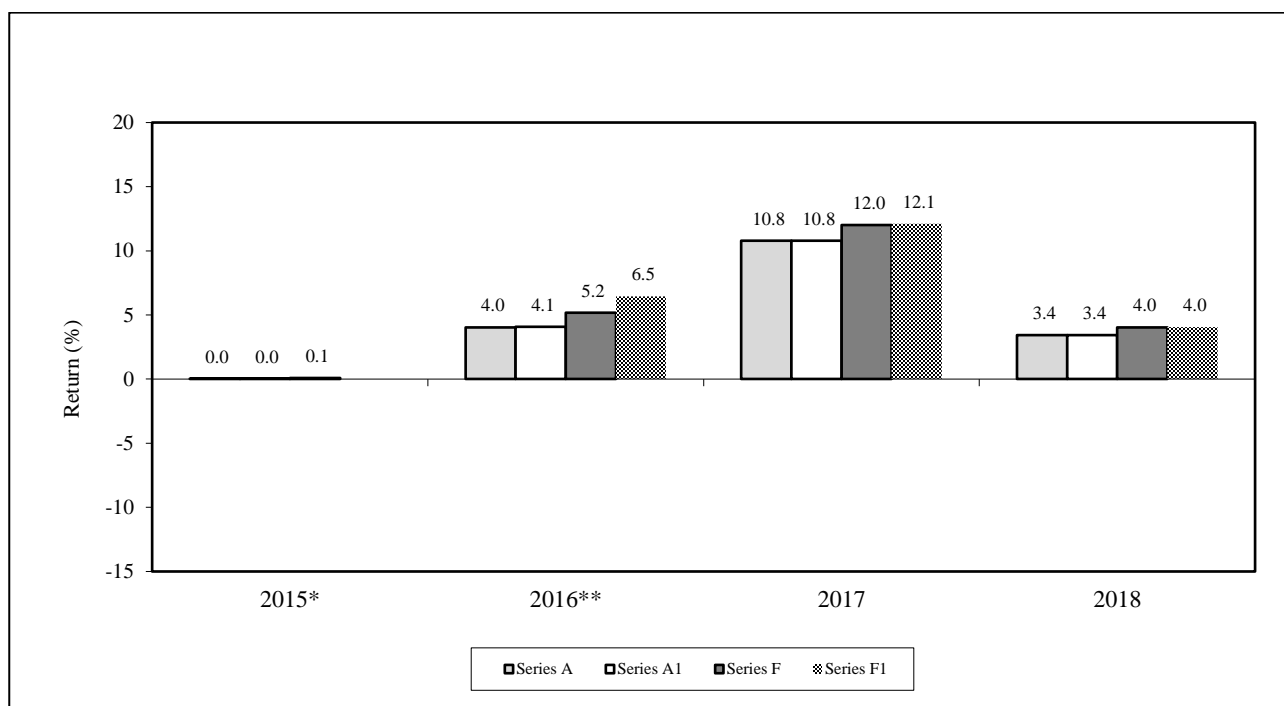
(formerly, Sprott Focused U.S. Dividend Class)

## Past Performance

The indicated rates of return are the historical total returns including changes in share values and assume reinvestment of all distributions in additional shares of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of 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 six-month period ended June 30, 2018 and each of the previous twelve-month periods ended December 31 shown, unless otherwise noted. 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.



\* Return from the period November 26, 2015 (launch date) to December 31, 2015 for Series A, Series A1, and Series F (not annualized).

\*\* Return from the period March 14, 2016 to December 31, 2016 for Series F1 (not annualized).

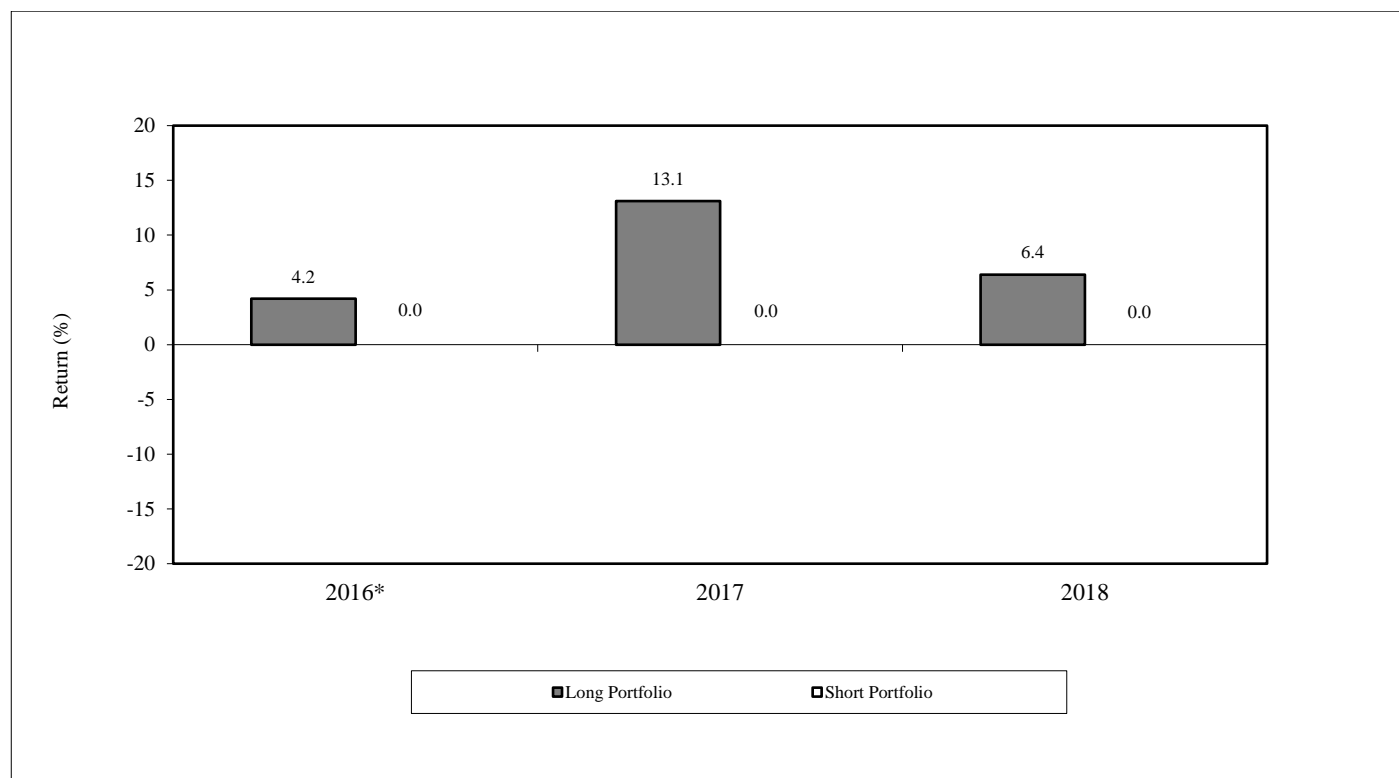
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## Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund (before the impact of Fund expenses) by the long portfolio and the short portfolio of the Fund for the six-month period ended June 30, 2018 and each of the previous twelve-month periods ended December 31 shown, unless otherwise noted. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



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



# Ninepoint Focused U.S. Dividend Class

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## Summary of Investment Portfolio

As at June 30, 2018

### Portfolio Allocation

	% of Net Asset Value
Long Positions	
Information Technology	30.9
Industrials	16.4
Energy	13.5
Financials	11.6
Consumer Discretionary	8.3
Health Care	7.8
Consumer Staples	4.7
Real Estate	3.1
Utilities	2.5
<u>Total Long Positions</u>	<u>98.8</u>
Cash	0.6
Other Net Assets	0.6
<u>Total Net Asset Value</u>	<u>100.0</u>

### Top 25 Long Positions

Issuer	% of Net Asset Value
Microsoft Corp.	6.2
Mastercard Inc.	4.8
Visa Inc.	4.6
Alphabet Inc.	4.5
Chevron Corp.	4.2
Suncor Energy Inc.	4.2
Intercontinental Exchange Inc.	4.1
Apple Inc.	4.1
Thermo Fisher Scientific Inc.	3.9
JPMorgan Chase and Co.	3.9
CSX Corp.	3.9
UnitedHealth Group Inc.	3.8
S&P Global Inc.	3.5
Facebook Inc.	3.5
The Home Depot Inc.	3.4
Boeing Company	3.3
Waste Connections Inc.	3.3
Texas Instruments Inc.	3.1
FedEx Corp.	3.1
Marathon Petroleum Corp.	2.9
Raytheon Company	2.9
Costco Wholesale Corp.	2.8
NextEra Energy Inc.	2.5
Aptiv PLC	2.5
Hilton Worldwide Holdings Inc.	2.5
<u>Top 25 long positions as a percentage of net asset value</u>	<u>91.5</u>

The Fund held no short positions as at June 30, 2018.

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

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## Corporate Information

### Corporate Address

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For additional information visit our website:  
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Call our mutual fund information line for daily closing prices:  
416.362.7172 or 888.362.7172

### Auditors

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