



Ninepoint International Small Cap Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2021

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 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 objective of the Ninepoint International Small Cap Fund (the “Fund”) is to seek to provide unitholders with long-term capital appreciation by investing primarily in a portfolio of international small capitalization equity securities of issuers in countries and industries located in Europe, Japan and Asia-Pacific ex-Japan. To achieve the Fund’s investment objective, the Fund’s assets will invest primarily in international equity securities in the international small cap universe, which is considered to be issuers with a market capitalization between US\$100 million and US\$3.5 billion at the time of purchase. A fundamental bottom-up approach to identify companies with unorganized and accelerating earnings growth potential is utilized. The Fund will seek to identify companies with features such as sustainable competitive advantage, clearly defined growth strategies, and a strong balance sheet. This bottom-up stock selection process is guided by key international themes that drive growth potential. The Fund does not have any geographic restriction on its investments.

As part of its investment strategy, the Fund may:

- invest in ADRs;
- temporarily hold all or a portion of its assets in cash, money market instruments and securities of affiliated money market funds in anticipation of or in response to adverse market conditions, cash management purposes, defensive purposes, rebalancing, merger or other transaction purposes;
- invest in exchange-traded funds (ETFs) as permitted by securities regulations; and
- engage in securities lending as permitted by securities regulations.

Global Alpha Capital Management Ltd. is the subadvisor for the Fund.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for investors with a medium tolerance of risk and long-term investment horizon that are seeking long-term capital growth wanting to share in the opportunities offered by the growth potential of equity securities of primarily small capitalization international companies.

Results of Operations and Recent Developments

The Fund, Series A returned 8.5% in the first half of 2021, while its benchmark, MSCI EAFE Small Cap Net Index, returned 6.0%.

A major theme of the first half of 2021 was “return to normal”. Whether it is a discussion around a return to the office, reopening of the economy or travel, decision-makers are trying to make sense of what the post-pandemic world will look like. Economies around the world are picking up in strength, with the most recent OECD forecast for world GDP growth being revised upward to 5.8% for 2021. Some countries like the US and South Korea are already seeing their GDP per capita above their pre-pandemic levels, whereas it is expected that Europe will take another year to reach that point. All in all, it is expected that global output will be \$3 trillion less by the end of 2022 than it would have been without the pandemic.

Another variable that factors into “return to normal” predictions is inflation. The most recent numbers of 5% in the US, 2.1% in Britain and 2% in the Eurozone are all much higher than their long-term averages. Both supply and demand are at risk, as personal consumption data are at levels not seen in decades while inventories are still recovering from supply chain issues. Furthermore, there are signs of a commodities super cycle. This could result in a prolonged period of persistently high inflation as commodity supply is so inadequate it will not be able to meet the global demand for multiple years.

Pre-pandemic political and economic issues are also coming back into the spotlight as a result of the “return to normal” theme. US-China conflicts are back in force as China passed a law allowing its government to retaliate against foreign sanctions imposed on Chinese companies. The post-Brexit story continues as the UK government rushes to develop global trade deals. The UK completed its free-trade deal with Australia, its first agreement negotiated from scratch, and began the process to join the CPATPP after receiving Japan’s support to strengthen the alliance. In Japan, the government is attempting to provide reassurance that the country will be back to normal for the Olympics. Recent data points give mixed signals: although April exports grew 38% year-over-year, outbreaks of COVID-19 continued and further measures on top of the existing state of emergency were put in place. Finally, the US government is resuming its fight with big technology companies as US Congress introduced multiple bills to reduce the dominance of names like Amazon, Apple, Facebook, and Google. This represents the biggest overhaul of antitrust law in decades.

Ninepoint International Small Cap Fund

June 30, 2021

However, not everything will revert to pre-pandemic norms. Israel has a new Prime Minister after 12 years of Binyamin Netanyahu. Its new leader, Naftali Bennett, is inheriting both a resurgence of COVID-19 cases due to the delta variant and an increase in clashes with Palestinian militants around its borders.

As much of the world moved to a virtual environment, be it for work or leisure, risks of cyberattacks have multiplied. High-profile hacks of key infrastructure have been all over the news in 2021, from the Colonial pipeline to the JBS meat-processors and Irish healthcare system.

Both security selection and asset allocation had a material positive impact on fund returns during the first half of the year, but the impact from security selection was more significant. Specifically, security selection in the communication services was by far the biggest contributor with almost half of the total added value. This was followed by healthcare security selection. Within asset allocation, our overweight to Industrials in Hong-Kong was the most important driver of added value.

The top performer for the first 6 months was Kerry Logistics Network Ltd (156bps), a third-party logistics service provider based in Hong Kong with global exposure. The company operates in two segments: an integrated logistics business, which includes logistics operations and warehouses and international freight forwarding services. The stock price reacted strongly to the strong performance and the news that SF Holdings will take over the company in Q4 2021 and at a strong premium. The deal is expected to generate significant synergies for both parties as Kerry Logistics will be able to expand its client base in mainland China, while SF Holdings will be able to leverage the extensive overseas network of Kerry.

Another top performer was L'Occitane (+128bps). A French company listed in Hong-Kong, L'Occitane is a manufacturer, marketer and retailer of natural and organic skincare and beauty products. The company has over 3,400 retail locations globally. The company has delivered strong results in fiscal year 2020, ending in March 2021. All its key brands have seen strong double-digit growth, thanks to strong growth from its online channel, which grew by 69% and accounted for more than one-third of the company's total revenue. Margin expansion exceeded market expectations significantly, thanks to better product and channel mix, and good cost control.

In contrast to top performers, the top detractor for the quarter was Norway Royal Salmon, (-45bps), an independent Norwegian salmon farmer that sells its volume via its own organization. It currently operates through 35 fish farming licenses and exports 95% of its sales. With the industry growing roughly 6-8% annually, the salmon market is uniquely positioned to benefit from trends toward healthy diets and food safety. While Norway Royal Salmon is among the lowest-cost, innovative producers, it had a difficult operational start to the year. Early in the year, the company announced Q4 2020 revenues were down 23% from the previous year due to lower volumes sold and lower average price of salmon.

Another detractor was Hexagon Composites (-43bps), a recent portfolio addition. There was a selloff in renewable/ESG names with Hexagon being one. While news flow was generally positive in terms of contract awards and signing of joint ventures, there was a slight miss in Q1 2021.

Over the first six months, name turnover was lower compared to the same time last year given the market turmoil. Four names were added to the portfolio thus far in 2021: Aurubis Ag, Iwatani Corp, Daiseki Co and Hexagon Composite. Six positions were exited: Konami Holdings and Husqvarna due to market capitalization, Nihon Kohden and Digital Arts due to better alternatives, and Sho-Bond and Urban & Civic to consolidate sector exposure.

As a result of these transactions and other adjustments, portfolio exposure to consumer discretionary (+1.5%) and materials (+1.1%) increased the most. This is consistent with two key themes discussed in the reopening of the economy and inflation through commodity prices and supply chain constraints. On the other hand, healthcare (-2.1%) and real estate (-2.0%) exposure were the most significant reductions. Health care was one of the top performing sectors in FY2020 and sector exposure remains higher than the benchmark. As for real estate, this was due to weight adjustments for individual securities and not a strategic shift. From a country and region allocation perspective, no material changes were made.

The Fund's total net asset value decreased by 31.1% during the period, from \$60.6 million as at December 31, 2020 to \$41.8 million as at June 30, 2021. This change was predominantly due to net redemptions of \$22.6 million, offset by net realized and unrealized gains on investments of \$4.0 million.

Ninepoint International Small Cap Fund

June 30, 2021

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 2.50% for Series A units, 1.50% for Series D and Series F units, 1.35% for Series PF units, 1.30% for Series QF units and as negotiated by the unitholders for Series I. Effective April 30, 2021, the management rate of Series D shares was reduced from 2.00% to 1.50%. 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 period ended June 30, 2021, the Fund incurred management fees of \$403,799 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint International Small Cap Fund – Series A	60%	40%
Ninepoint International Small Cap Fund – Series D	82%	18%
Ninepoint International Small Cap Fund – Series F	100%	–
Ninepoint International Small Cap Fund – Series PF	100%	–
Ninepoint International Small Cap Fund – Series QF	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$6,603 during the period ended June 30, 2021 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 certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions are at the Manager's discretion and can be terminated at any time without notice. The Manager did not absorb any expenses during the period ended June 30, 2021.

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.

Ninepoint International Small Cap Fund

June 30, 2021

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 period ended June 30, 2021 and each of the previous years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit¹

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁴
	\$	\$	\$	\$
Series A				
Net assets, beginning of period	10.68	10.45	8.77	10.00
Increase (decrease) from operations:				
Total revenue	0.11	0.18	0.23	0.17
Total expenses	(0.22)	(0.35)	(0.36)	(0.33)
Realized gains (losses) for the period	1.22	0.18	0.28	0.23
Unrealized gains (losses) for the period	(0.20)	0.01	1.52	(1.08)
Total increase (decrease) from operations²	0.91	0.02	1.67	(1.01)
Distributions:				
From income (excluding dividends)	-	-	-	0.03
From capital gains	-	-	-	0.11
Total annual distributions³	-	-	-	0.14
Net assets, end of period	11.58	10.68	10.45	8.77

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁴
	\$	\$	\$	\$
Series D				
Net assets, beginning of period	10.94	10.65	8.90	10.00
Increase (decrease) from operations:				
Total revenue	0.11	0.19	0.25	0.12
Total expenses	(0.19)	(0.30)	(0.34)	(0.27)
Realized gains (losses) for the period	1.26	0.15	0.29	0.28
Unrealized gains (losses) for the period	(0.27)	(0.10)	1.55	(1.51)
Total increase (decrease) from operations²	0.91	(0.06)	1.75	(1.38)
Distributions:				
From income (excluding dividends)	-	-	-	0.05
From capital gains	-	-	-	0.11
Total annual distributions³	-	-	-	0.16
Net assets, end of period	11.91	10.94	10.65	8.90

Ninepoint International Small Cap Fund

June 30, 2021

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁴
	\$	\$	\$	\$
Series F				
Net assets, beginning of period	10.90	10.56	8.77	10.00
Increase (decrease) from operations:				
Total revenue	0.11	0.19	0.23	0.14
Total expenses	(0.17)	(0.25)	(0.26)	(0.22)
Realized gains (losses) for the period	1.23	0.13	0.28	0.15
Unrealized gains (losses) for the period	(0.19)	(0.21)	1.52	(0.69)
Total increase (decrease) from operations²	0.98	(0.14)	1.77	(0.62)
Distributions:				
From income (excluding dividends)	-	-	-	0.11
From capital gains	-	-	-	0.11
Total annual distributions³	-	-	-	0.22
Net assets, end of period	11.89	10.90	10.56	8.77

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018 ⁴
	\$	\$	\$	\$
Series PF				
Net assets, beginning of period	11.13	10.76	8.93	10.00
Increase (decrease) from operations:				
Total revenue	0.10	0.19	0.24	0.08
Total expenses	(0.16)	(0.24)	(0.26)	(0.08)
Realized gains (losses) for the period	1.34	0.26	0.29	0.03
Unrealized gains (losses) for the period	(0.29)	0.26	1.55	(1.60)
Total increase (decrease) from operations²	0.99	0.47	1.82	(1.57)
Distributions:				
From income (excluding dividends)	-	-	-	0.01
From capital gains	-	-	-	0.11
Total annual distributions³	-	-	-	0.12
Net assets, end of period	12.15	11.13	10.76	8.93

	Jun 30, 2021 ⁵
	\$
Series QF	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.07
Total expenses	(0.08)
Realized gains (losses) for the period	0.31
Unrealized gains (losses) for the period	(0.04)
Total increase (decrease) from operations²	0.26
Distributions:	
Total annual distributions³	-
Net assets, end of period	10.27

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 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 are reinvested in additional units of the Fund.

4 Information provided is for the period from March 15, 2018 (launch date) for Series A and Series F, March 28, 2018 (first issuance) for Series D, and July 19, 2018 (first issuance) for Series PF to December 31, 2018.

5 Information provided is for the period from April 8, 2021 (first issuance) to June 30, 2021 for Series QF.

Ninepoint International Small Cap Fund

June 30, 2021

Ratios and Supplemental Data

Series A	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$8,673	\$8,915	\$10,784	\$11,624
Number of units outstanding ¹	749,154	835,088	1,032,416	1,324,983
Management expense ratio ²	3.44%	3.31%	3.42%	3.55%
Trading expense ratio ³	0.34%	0.24%	0.19%	0.57%
Portfolio turnover rate ⁴	26.72%	62.49%	36.01%	40.28%
Net asset value per unit ¹	\$11.58	\$10.68	\$10.45	\$8.77

Series D	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$183	\$198	\$262	\$160
Number of units outstanding ¹	15,334	18,136	24,628	17,962
Management expense ratio ²	2.72%	2.77%	2.93%	2.97%
Trading expense ratio ³	0.34%	0.24%	0.19%	0.57%
Portfolio turnover rate ⁴	26.72%	62.49%	36.01%	40.28%
Net asset value per unit ¹	\$11.91	\$10.94	\$10.65	\$8.90

Series F	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$8,656	\$7,823	\$13,869	\$10,683
Number of units outstanding ¹	727,938	717,460	1,313,746	1,217,813
Management expense ratio ²	2.37%	2.25%	2.35%	2.39%
Trading expense ratio ³	0.34%	0.24%	0.19%	0.57%
Portfolio turnover rate ⁴	26.72%	62.49%	36.01%	40.28%
Net asset value per unit ¹	\$11.89	\$10.90	\$10.56	\$8.77

Series PF	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000s) ¹	\$16,809	\$43,701	\$39,588	\$22,911
Number of units outstanding ¹	1,383,947	3,926,164	3,679,595	2,567,027
Management expense ratio ²	2.20%	2.07%	2.19%	1.58%
Trading expense ratio ³	0.34%	0.24%	0.19%	0.57%
Portfolio turnover rate ⁴	26.72%	62.49%	36.01%	40.28%
Net asset value per unit ¹	\$12.15	\$11.13	\$10.76	\$8.93

Series QF	Jun 30, 2021
Total net asset value (000s) ¹	\$7,438
Number of units outstanding ¹	724,571
Management expense ratio ²	2.12%
Trading expense ratio ³	0.34%
Portfolio turnover rate ⁴	26.72%
Net asset value per unit ¹	\$10.27

1 This information is provided as at June 30, 2021 and December 31 for the years shown prior to 2021.

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.

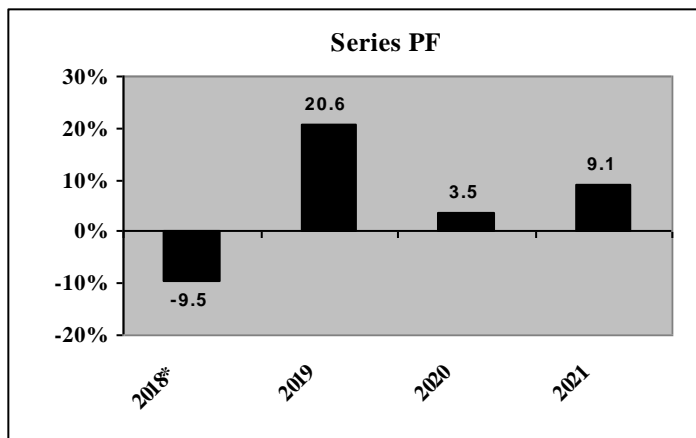
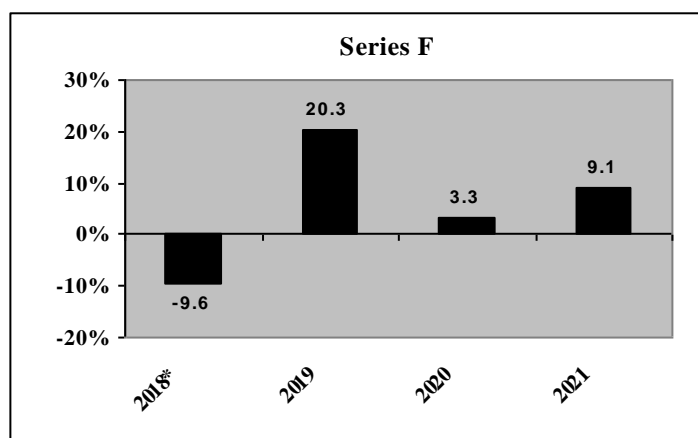
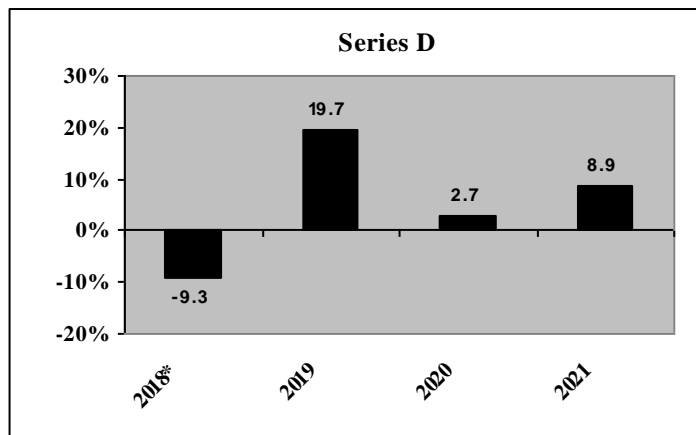
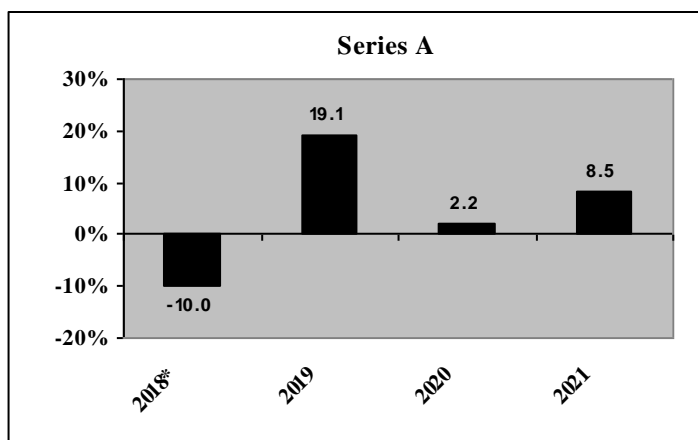
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio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

Past Performance

The indicated rates of return are the historical total returns including changes in 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 returns are calculated based on the Net Asset Value of the particular Series of the Fund.

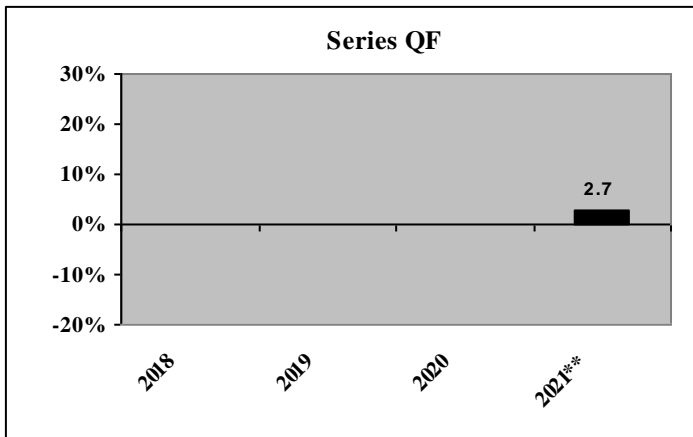
Year-by-Year Returns

The following chart indicates the performance of each Series of the Fund for the period ended June 30, 2021 and each of the previous 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 International Small Cap Fund

June 30, 2021



* Return from March 15, 2018 (launch date) for Series A and Series F, March 28, 2018 for Series D, and July 19, 2018 for Series PF, to December 31, 2018 (not annualized).
** Return from April 8, 2021 (first issuance) to June 30, 2021 for Series QF (not annualized).

Ninepoint International Small Cap Fund

June 30, 2021

Summary of Investment Portfolio

As at June 30, 2021

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Industrials	23.1
Consumer Discretionary	13.4
Consumer Staples	9.9
Financials	9.4
Information Technology	9.1
Health Care	8.4
Real Estate	7.9
Materials	7.7
Communication Services	2.9
Energy	2.3
Utilities	1.8
Total Long Positions	95.9
Cash	4.0
Other Net Assets	0.1
Total Net Asset Value	100.0

Portfolio Allocation by Geographic Region

	% of Net Asset Value
Total Positions	
Japan	25.0
United Kingdom	14.2
France	8.1
Australia	6.4
Italy	6.3
Switzerland	4.7
Germany	4.3
Hong Kong	3.9
Austria	3.8
Luxembourg	3.6
Sweden	3.5
United States	2.9
Singapore	2.6
Spain	2.6
Norway	2.2
Denmark	1.0
Countries less than 1%	0.8
Total Positions	95.9
Cash	4.0
Other Net Assets	0.1
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Cash	4.0
L'Occitane International SA	3.6
Biffa PLC	3.4
Kerry Logistics Network Limited	3.3
Savills PLC	2.9
Internet Initiative Japan Inc.	2.9
Rothschild & Company	2.7
Sopra Steria Group	2.6
Raffles Medical Group Limited	2.6
Autogrill SpA	2.6
Clipper Logistics PLC	2.6
Asics Corporation	2.4
De' Longhi SpA	2.1
HORIBA Limited	2.0
Palfinger AG	1.8
Sega Sammy Holdings Inc.	1.8
Ormat Technologies Inc.	1.8
Orora Limited	1.7
DMG Mori Company Limited	1.7
Mabuchi Motor Company Limited	1.7
Norway Royal Salmon ASA	1.7
doValue SpA	1.7
Fuji Seal International Inc.	1.7
Loomis AB	1.6
LISI SA	1.6
Total 25 long positions as a percentage of Net Asset Value	58.5

The Fund held no short positions as at June 30, 2021.

The 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.

Corporate Information

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