



**SIMPLIFIED PROSPECTUS**

*Offering Series A, Series F, Series QF, Series I Units and Series D units of the following alternative mutual funds*

**NINEPOINT FX STRATEGY FUND  
NINEPOINT ALTERNATIVE CREDIT OPPORTUNITIES FUND**

**November 8, 2019**

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

The Funds and the units of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registration.

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## INTRODUCTION

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In this document, “we”, “us”, “our” or “the Manager” refers to Ninepoint Partners LP, the trustee, manager, portfolio manager and promoter of Ninepoint FX Strategy Fund and Ninepoint Alternative Credit Opportunities Fund (collectively, the “Funds” and each, a “Fund”).

All of our mutual funds, including all classes of shares of Ninepoint Corporate Class Inc. (the “Corporation”) and individual mutual fund trusts offered under separate simplified prospectuses, with the Funds offered herein, are collectively referred to as the “Ninepoint mutual funds”. A reference in this document to “you” refers to an investor who invests in the Funds. When you invest in the Funds or another Ninepoint mutual fund established as a trust, you are buying trust units. When you invest in a Ninepoint mutual fund that is a separate class of shares of the Corporation (offered under separate simplified prospectuses), you are buying shares in the Corporation. We refer to units and shares of the Ninepoint mutual funds, other than the Funds, collectively as “securities” in this Simplified Prospectus.

Each of the Funds offers five series of units: Series A, Series F, Series QF, Series I and Series D. Series A units are available to all investors. Series F units are designed for investors who participate in fee-based programs. Series QF units are lower management fee versions of Series F that are available to an investor or discretionary accounts of an advisor holding in aggregate at least \$5 million investment in the Fund. Series I units are special purpose units generally available only to institutional investors or as determined by the Manager on a case-by-case basis. Generally, an investor in Series I units negotiates a separate fee that will be paid directly to the Manager by the investor. Series D units are available to investors who acquire units through a discount brokerage account or other account approved by the Manager and whose dealer has entered into an agreement with us relating to the distribution of these units.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. This document is divided into two parts:

- pages 4 to 14 contain general information applicable to the Funds; and
- pages 23 to 27 contain specific information about the Funds described in this document.

Additional information about the Funds is available in the following documents: Annual Information Form, the most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial statements of the Funds filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”) and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents upon request, and at no charge, by calling toll-free at 1-866-299-9906, or from your investment advisor directly, or via email at [invest@ninepoint.com](mailto:invest@ninepoint.com), or from our website at [www.ninepoint.com](http://www.ninepoint.com).

These documents and other information about the Funds are also available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at [www.sedar.com](http://www.sedar.com).

## **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

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### **What is a Mutual Fund?**

A mutual fund is an investment vehicle that pools money of many individuals who have similar investment goals, and invests it in a variety of securities in an effort to achieve specific investment objectives over time. Individuals who contribute money become unitholders of the mutual fund. Where a mutual fund issues more than one series, unitholders share in the mutual fund's income, expenses and the gains and losses allocated to the unitholders' series generally in proportion to the units of that series they own. The value of an investment in a mutual fund is realized upon redeeming units held. Mutual funds are managed by professional money managers who invest on behalf of the whole group.

Mutual funds are available in many varieties that are designed to meet the differing needs of investors. A fund may own different types of investments such as stocks, bonds, cash, derivatives or any combination of these investments, depending upon its investment objectives.

### **What are the Risks of Investing in a Mutual Fund?**

Every individual has a different tolerance for risk. Some investors are more conservative than others. It is important to evaluate your personal tolerance for risk, as well as the amount of risk suitable for your financial goals and time horizon when making investment decisions. The risks associated with investing in a mutual fund depend on the assets and securities in which the mutual fund invests, based upon the mutual fund's particular objectives.

Investors should take into account that the value of these investments will change from day to day, reflecting changes in interest rates, exchange rates, economic conditions and market news. As a result, the value of a mutual fund's units may go up or down, and the value of your investment in a mutual fund may be worth more or less upon redemption than when the units were first purchased.

The full amount of your original investment in the Fund is not guaranteed. Unlike bank accounts or GICs, mutual funds are not insured under the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Redemptions for all Series of Units" on page 14 for more information.

Each Fund is considered an "alternative mutual fund" according to NI 81-102 meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer; the ability to invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; the ability to borrow, up to 50% of its net asset value, in cash to use for investment purposes; the ability to sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and the ability to have aggregate exposure up to 300% of its net asset value; among other things.

### **General Investment Risks**

Listed below are some risks that can affect the value of an investment in a mutual fund. To find out which of these risks apply to an investment in each of the Funds, please refer to "What are the Risks of Investing in the Fund?" under each individual fund profile.

#### ***Borrowing Risk***

The Funds may borrow cash or securities which could magnify the impact of any movements in the prices of underlying investments and could impact the value of your investment. As a result, the gains or losses on investments realized by the Funds may be more volatile as compared to investing in the same asset classes and securities without making use of borrowings.

#### ***Collateral Risk***

The Funds may enter into derivative transactions that require it to deliver collateral to the counterparty to the transaction or to a clearing corporation. Where a Fund is required to deliver collateral, it may be exposed to certain risks, including:

(i) the risk that the Fund will be required to post initial margin/collateral to the derivative counterparty or clearing corporation in the form of cash, requiring the Fund to have sufficient liquid assets to meet this obligation;

(ii) the risk that the Fund may from time to time, if the value of the derivative arrangement moves against the Fund, be required to post variation margin/collateral with the derivative counterparty or clearing corporation on an ongoing basis. The Fund must have sufficient liquid assets to satisfy margin calls made by the derivative counterparty or clearing corporation, and, if it fails to post the required margin/collateral, the counterparty may terminate the derivative arrangement; and,

(iii) the risk that the Fund may be subject to the credit risk of the derivatives counterparty. If a counterparty were to become insolvent, any margin./collateral of the Fund held by the counterparty could be considered assets of the counterparty and the Fund would be considered an unsecured creditor ranking behind preferred creditors in respect of such assets.

### ***Concentration Risk***

The Funds may concentrate their investment holdings in geographical regions, asset classes or in a limited number of issuers. Investments in these mutual funds involve greater risk and volatility than broadly based investment portfolios since the performance of one particular market, geographical region, asset class or issuer could significantly and adversely affect overall performance of the entire mutual fund.

### ***Credit Risk***

Mutual funds that invest in fixed-income securities are subject to credit risk. Issuers of debt securities promise to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that such issuers will not pay that obligation. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed-income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk.

### ***Currency Risk***

The net asset value of each Fund is calculated in Canadian dollars. The investment strategy of a Fund may rely on exposure to foreign currencies. As a result, the value of the Fund's investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency such that the value of foreign denominated investments within the Fund may be worth more or less, depending on changes in foreign exchange rates.

### ***Cybersecurity Risk***

With the increased use of technologies, the Manager and the Funds are susceptible to operational and information security risks through breaches in cybersecurity. A breach in cybersecurity can result from either a deliberate attack or an unintentional event. In addition, cybersecurity failures by or breaches of the Manager's or the Funds' third party service providers may disrupt the business operations of the service providers and of the Manager or the Funds. Any such cybersecurity breaches or losses of service may cause the Manager or the Funds to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Funds to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Funds, the Manager and the third party service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risk have not been adequately identified or prepared for.

### ***Derivatives Risk***

A derivative is a contract between two parties whose value is “derived” from the value of an underlying asset, such as a stock, bond or a market index. Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes- to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Some common examples of a derivative are an option contract, a futures contract, a forward contract and a swap.

Each Fund is expected to use derivatives for hedging and non-hedging purposes as described within its investment objective and strategy.

The use of derivatives carries several risks:

- (i) hedging strategies may not be effective;
- (ii) a market may not exist when the fund wants to close out its position in a derivative;
- (iii) the Fund may experience a loss if the other party to a derivative is unable to fulfil its obligations;
- (iv) the derivative may not perform the way the manager expects it to perform, causing the Fund to lose value;
- (v) costs of the derivative contacts with counterparties could rise; and
- (vi) the *Income Tax Act* (Canada) (the “Tax Act”), or its interpretation, may change in respect of the tax treatment of derivatives.

### ***Foreign Investment Risk***

Mutual funds that invest in securities of foreign issuers will be affected by world economic factors. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, mutual fund prices may fluctuate to a greater degree by investing in foreign securities than if the funds limited their investments to Canadian securities.

### ***Inflation Risk***

Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of an investor’s money over time. Managing inflation risks involves a diversified mix of investments.

### ***Interest Rate Risk***

Interest rates affect the value of fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. This value will generally risk if interest rates fall and fall if interest rates rise. Therefore, values of mutual funds which invest in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

### ***Leverage Risk***

When a Fund makes investments in derivatives, borrows cash for investment purposes or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when a Fund’s notional exposure to underlying assets is greater than the amount invested. It is an investment technique

that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. Each Fund is subject to an aggregate exposure limit of 300% of its net asset value which is measure on a daily basis and described in further detail in the Investment Objectives section of this Simplified Prospectus. This will operate to limit the extent to which the Fund is leveraged.

### ***Liquidity Risk***

Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which a mutual 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 (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

### ***Market Risk***

Market value will vary with changes in general economic and financial conditions in countries where a Fund's investments are based. The value of an investment in a foreign market depends on general global economic factors and specific economic and political factors relating to the country where the investment is based. Factors like these could make investment in a foreign jurisdiction more or less volatile than a Canadian investment.

### ***Performance Fee Risk***

To the extent described in this Simplified Prospectus, the Manager receives a performance fee in respect of certain series of units based upon the appreciation, if any, in the daily series net asset value per unit of a Fund during a calendar year (or at the time of redemption) over and above the prior highwater mark. However, the performance fee theoretically may create an incentive for the Manager to make investments that are riskier than would be the case if such fee did not exist. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains.

### ***Securities Lending, Repurchase and Reverse Repurchase Transactions Risk***

Mutual funds may enter into securities lending, repurchase or reverse repurchase transactions as permitted by securities legislation. Securities lending is an agreement whereby a mutual fund lends securities through an authorized agent for a fee in exchange for collateral, and can demand the return of the securities at any time. Under a repurchase transaction, a mutual fund agrees to sell securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which a mutual fund buys securities for cash while at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- (i) a mutual fund must hold collateral equal to no less than 102% of the market value of the securities sold, loaned or cash paid (where the amount of collateral is adjusted each trading day to make sure that the market value of the collateral does not go below 102% minimum level);

- (ii) the collateral to be held must consist of cash, qualified securities or securities that can be immediately converted into securities sold or loaned; and
- (iii) repurchase transactions and securities lending agreements are limited to 50% of the net asset value of the fund. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

### ***Series Risk***

The Funds are available in more than one series of units. Each series has its own fees and expenses which the Funds track separately. If a Fund cannot pay the expenses of one series using that series' proportionate share of the assets of the Fund, the Fund will have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of those other series.

A Fund may issue additional series without notice to or approval of unitholders. The creation of additional series could indirectly result in a mitigation of this risk by creating a larger pool of assets for the Fund to draw from.

### ***Short Selling Risk***

A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. A Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by the Fund to 10% of the net asset value of the Fund.

### ***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.

### ***Sub-adviser Risk***

A sub-adviser may be contracted by the Manager to actively manage the investments of the Fund. Consequently, the Fund is subject to the risk that the methods and analyses employed by the sub-adviser in this process may not produce the desired results. This could cause the Fund to lose value or investment results to lag relevant benchmarks or other funds with similar objectives. In addition, where a sub-adviser is resident in a foreign jurisdiction, there may be difficulty in enforcing any legal rights against such a sub-adviser because the sub-adviser is resident outside of Canada and all or substantially all of its assets may be located outside of Canada.

### ***Substantial Securityholder Risk***

A single investor (including a Ninepoint mutual fund) may buy or sell large amounts of securities of a Fund. As a result, the Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets.

### ***Tax Risk***

The Funds are expected to qualify or be deemed to qualify at all material times as mutual fund trusts under the *Income Tax Act (Canada)* (the “Tax Act”). If a Fund does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” in the Funds’ Annual Information Form could be materially and adversely different in some respects. For example, if a Fund does not qualify or ceases to qualify as a mutual fund trust, the units of the Fund will not be qualified investments for registered plans under the Tax Act. The Tax Act imposes penalties on such plans for the acquisition or holding of non-qualified investments.

The use of derivative strategies may have a tax impact on the Funds. In general, gains and losses realized by a Fund from derivative strategies will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account and provided there is sufficient linkage. The Funds will generally recognize gains and losses under a derivative contract when it is realized by the Fund upon partial settlement or upon maturity. This may result in significant gains being realized by a Fund at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable unitholders in the taxation year in which it is realized and including in such unitholder’s income for the year.

There can be no assurance that the Canada Revenue Agency (“CRA”) will agree with the tax treatment adopted by a Fund in filing its tax return. The CRA could reassess a Fund on a basis that results in an increase in the taxable component of distributions considered to have been paid to unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to non-resident unitholders. Such liability may reduce the net asset value of units of the Fund.

If a Fund experiences a “loss restriction event,” it (i) will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s taxable income at such time to unitholders so that the Fund is not liable for income tax on such amounts), and (ii) will 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, a Fund will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the 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 a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority interest beneficiary, and a group of persons is deemed not to become a majority interest group of beneficiaries, of the Fund if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

The description of the Fund provided later in this Simplified Prospectus provides details of the specific risks that apply to the Fund.

### **ORGANIZATION AND MANAGEMENT OF THE FUNDS**

<p><b><i>Manager</i></b> Ninepoint Partners LP Royal Bank Plaza, South Tower 200 Bay Street, Suite 2700 P.O. Box 27 Toronto, Ontario M5J 2J1</p> <p>Tel: 416-943-6707 Fax: 416-628-2397 Email: <a href="mailto:invest@ninepoint.com">invest@ninepoint.com</a></p>	<p>Ninepoint Partners LP acts as the manager to the Funds and is responsible for the day-to-day operations of the Funds including accounting and administration for units of the Funds.</p>
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<p>Website: www.ninepoint.com</p> <p>Toll Free: 1-866-299-9906</p>	
<p><b>Trustee</b>  Ninepoint Partners LP  Toronto, Ontario</p>	<p>Each Fund is organized as a trust. Ninepoint Partners LP as trustee holds title to the property owned by the Funds on behalf of unitholders. Ninepoint Partners LP as trustee and manager has exclusive authority over the assets and affairs of the Fund and has a fiduciary responsibility to act in the best interest of unitholders.</p>
<p><b>Portfolio Manager</b>  Ninepoint Partners LP  Toronto, Ontario</p>	<p>The Portfolio Manager conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio investments of the Funds.</p> <p>The Manager may delegate the day-to-day management of the investment portfolio of a Fund to one or more sub-advisers (collectively, the “Sub-Advisers” and each a “Sub-Adviser”). You will find the name of the Sub-Adviser for each Fund in the “Fund Details” section under each individual fund profile.</p>
<p><b>Custodian</b>  CIBC Mellon Trust Company  Toronto, Ontario</p>	<p>CIBC Mellon Trust Company (the “Custodian”) holds each Fund’s cash and assets on behalf of the Fund and is responsible for ensuring that they are safe and secure. The Custodian is only responsible for the Fund’s assets that are directly held by it, its affiliates or appointed sub-custodians. CIBC Mellon Trust Company is independent of the Manager of the Funds.</p>
<p><b>Recordkeeper</b>  CIBC Mellon Global Securities Services Company  Toronto, Ontario</p>	<p>The Recordkeeper keeps a register of the owners of units for the Fund, processes purchase, switch, reclassification and redemption orders, issues investor account statements and issues annual tax reporting information.</p>
<p><b>Auditors</b>  KPMG LLP  Toronto, Ontario</p>	<p>The Auditors annually audit the financial statements of the Funds to determine whether they fairly present, in all material respects, the Funds’ financial position, financial performance and cash flows in accordance with applicable generally accepted accounting principles. KPMG LLP is independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.</p> <p>If a decision is ever made to change auditors of the Funds, investors in the Fund will not be asked to approve this change; however, we will provide investors with at least 60 days written notice before the effective date of the change in auditors.</p>

<p><b><i>Independent Review Committee</i></b></p>	<p>The mandate of the IRC is to review conflict of interest matters referred to it by us in respect of the Ninepoint mutual funds and, in some cases, approve conflict of interest matters. In certain circumstances, in place of you approving a fund merger, the IRC has been permitted under securities legislation to approve a fund merger. In these circumstances, you will receive written notice of any proposed fund merger at least 60 days prior to the change.</p> <p>Each member of the IRC is independent of us and any party related to us. The IRC is currently composed of three members. The IRC prepares, at least annually, a report of its activities for investors. This report is available on our website at <a href="http://www.ninepoint.com">www.ninepoint.com</a> or you may request a copy, at no cost to you, by contacting us at <a href="mailto:invest@ninepoint.com">invest@ninepoint.com</a>.</p> <p>Additional information about the IRC, including the names of the members, is available in the Annual Information Form.</p>
<p><b><i>Securities Lending Agent</i></b> CIBC Mellon Trust Company Toronto, Ontario</p>	<p>The securities lending agent acts as agent for securities lending transactions for the Ninepoint Alternative Credit Opportunities Fund. The securities lending agent is independent of the Manager.</p>

### ***Fund-of-Funds***

A Fund (the “Top Fund”) may invest in other mutual funds, including mutual funds managed by us. Where we are the manager of both the Top Fund and an underlying fund, we will not vote the securities of the underlying fund held directly by the Top Fund. Instead, we may arrange for such securities to be voted by the beneficial securityholders of the applicable Top Fund.

### **PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS**

Each Fund is permitted to issue an unlimited number of series of units and may issue an unlimited number of units of each series. Each Fund has created Series A, Series F, Series QF, Series I and Series D units.

Series A units: Available to all investors.

Series F units: Available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us. You may only buy Series F units if we and your broker, dealer or advisor approve the order first.

Series QF units: Available to an investor or discretionary accounts of an advisor holding in aggregate at least a \$5 million investment in the Fund who have signed a Series Q Agreement with us. You may only buy Series QF units if we and your broker, dealer or advisor approve the order first.

Series I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

Series D units: Available to investors who acquire units through a discount brokerage account or other account approved by us and whose dealer has signed a Series D agreement with us relating to the distribution of these units. For investors investing through a discount broker, Series D units may be the most suitable series for you to own. If you hold units of the Fund other than Series D units and they are in a discount brokerage account, you should consider instructing your dealer to reclassify/convert your units into Series D units.

Although the money which you and other investors pay to purchase units of any series of a Fund is tracked on a series by series basis in a Fund's administrative records, the assets of all the series of a Fund are combined in a single pool to create one portfolio for investment purposes.

The Funds are available in each of the provinces and territories of Canada. You may purchase, switch, reclassify or redeem units of a Fund by contacting your investment advisor. Your registered dealer is responsible to recommend the series most suitable for you. Ninepoint does not monitor the appropriateness of any series of the Funds for any investor and makes no determination as to the appropriateness of any series of the Funds for any investor, including investors who hold the Funds in a discount brokerage account.

The minimum initial investment in Series A, Series F and Series D units of a Fund is \$500. The minimum initial investment in Series I units of a Fund shall be negotiated between the Manager and the investor. The minimum initial investment in Series QF units of a Fund is \$5 million from an investor or in aggregate from discretionary accounts of an advisor. The minimum subsequent investment in units of each series of a Fund is \$25. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager. You must include payment with your purchase order.

Purchase orders which are deposited with a dealer will be forwarded by the dealer to the Recordkeeper (defined below) on the same day on which the purchase order is received, or if received after 4:00 p.m. (Eastern time), on the next business day. The dealer must send an investor's purchase order by courier, priority post or telecommunications facility *without charge to the investor*.

We have the right to accept or reject any purchase order but must make a decision to reject an order within one business day after receiving the order. The payment received with a rejected order will be refunded immediately.

No certificates are issued for units purchased, but an investor receives, following each purchase of units, a written statement indicating all relevant details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit applied to the purchase order and the number of units purchased.

The purchase, switch, reclassification or redemption price of a unit of a Fund is the net asset value per unit of a series prevailing at the time of purchase, switch, reclassification or redemption. The net asset value per unit (or unit price) for each series of units of a Fund is based on the value of the series' proportionate share of the net assets of a Fund, less the proportionate share of the common expenses allocated to that series and less any expenses attributable to that series, divided by the total number of units of that series outstanding. The unit price of a Fund is calculated at the end of each business day.

All requests for any purchases, switches, reclassifications or redemptions of the applicable series of units of the Fund must be received by the Recordkeeper prior to 4:00 p.m. (Eastern time) on a regular business day in Toronto in order to receive that business day's unit price for that series, which is calculated as of the close of business on that day. If your request is received after 4:00 p.m. (Eastern time) or on a day that is not a regular business day in Toronto, the unit price applied to your request will be determined at the close of business on the following regular business day in Toronto. You and your advisor are responsible for the completeness and accuracy of your order. Orders will only be processed if complete.

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of either a purchase or redemption of the applicable series of units of a Fund where such dealer has the contractual right to do so.

Each of the Funds is valued in Canadian dollars and can be purchased in Canadian dollars. Further information on the calculation of the net asset value of a Fund is described in the Funds' Annual Information Form. Please see page 3 to find out how to obtain a copy.

Please note that for units that are purchased, redeemed, switched or reclassified through registered dealers approved by us, investors may be required to pay different fees and expenses. Please see "Fees and Expenses" on page 16 and "Dealer Compensation" on page 19.

**Purchases of Series A Units**

Series A units are available to all investors under the Initial Sales Charge Option. Under the Initial Sales Charge Option, investors may pay a fee between 0% and 5% of the value of the units purchased to the dealer at the time of purchase. Please see “Fees and Expenses” on page 16 and “Dealer Compensation” on page 19.

**Purchases of Series F Units**

Series F units are available to (i) investors who participate in fee-based programs with dealers who have signed a Series F Agreement with us or the former manager of a Fund, (ii) investors for whom we do not incur any distribution costs, or (iii) individual investors approved by us. In fee-based programs, instead of paying sales charges or other charges on the purchase or redemption of Series F units, investors pay their dealer ongoing fees for investment management or financial planning advice. We don't pay any sales commissions or trailer fees to dealers who sell Series F units.

If you cease to be eligible to hold Series F units, we may reclassify your Series F units into Series A units under the Initial Sales Charge Option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series F units.

**Purchases of Series QF Units**

Series QF units are available to investors who are eligible to purchase Series F units and where such an investor or discretionary account of an advisor holds in aggregate at least a \$5 million investment in the Fund. If the investor is eligible for Series QF on the basis of the aggregated investment of its advisor, such advisor will have to sign a Series Q Agreement with the Manager.

If you cease to be eligible to hold Series QF units, we may reclassify your Series QF units into Series PF, Series F units or Series A units under the Initial Sales Charge Option, after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series QF units.

**Purchases of Series I Units**

Series I units are available to institutional investors or to other investors on a case-by-case basis, all at our discretion. If you cease to be eligible to hold Series I units, we may reclassify your Series I units into Series A units under the Initial Sales Charge Option after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series I units.

**Purchases of Series D Units**

Series D units are available to investors who acquire units through a discount brokerage account or other account approved by us and whose dealer has signed a Series D agreement with us relating to the distribution of these units.

If you cease to be eligible to hold Series D units of a Fund, we may reclassify/convert your Series D units into Series A units of the same Fund under the Initial Sales Charge Option after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold Series D units.

**Switches between Ninepoint mutual funds**

You may, at any time, switch all or part of your investment in a series of units of a Fund to securities of another Ninepoint mutual fund of the same series, provided that the series of securities you wish to switch to is offered by that other Ninepoint mutual fund. You may request a switch of your series of units by contacting your registered broker or dealer.

A switch is a redemption of units of the Fund and a purchase of securities of another Ninepoint mutual fund, resulting in a taxable disposition of the units switched. Accordingly, if you hold your units outside a registered plan, you will realize a capital gain or loss on the switch transaction. Please see “Income Tax Considerations for Investors” on page 20.

When you switch units of any series of a Fund, your registered dealer may charge you a switch fee of up to 2% of the net asset value of the units switched. This fee is negotiated with and paid to your dealer.

Upon a switch of your series of units, the number of securities you hold will change since each series of securities of a Ninepoint mutual fund has a different security price.

#### **Reclassification between Series of the Fund**

You may, at any time, reclassify all or part of your investment in one series of a Fund to another series of the Fund, provided that you are eligible to invest in the series of units into which you are reclassifying. If you wish to reclassify all or part of your investment in Series F units of a Fund into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option. A reclassification between series of units of a Fund will not be considered a disposition for tax purposes and, accordingly, you will not realize a capital gain or loss. However, any redemption of units to pay any applicable reclassification fee will be considered a disposition for tax purposes and, if you hold the units outside a registered plan, you may be required to pay tax on any capital gain you realize from the redemption. Please see “Income Tax Considerations for Investors” on page 20. You may request a reclassification of your series of units by contacting your registered broker or dealer.

When you reclassify units of any series of a Fund, your registered dealer may charge you a fee of up to 2.0% of the net asset value of the units reclassified. This fee is negotiated with and paid to your dealer.

Upon a reclassification of your series of units, the number of units you hold will change since each series of units of the Fund has a different unit price. If you cease to satisfy the criteria for holding Series F, Series QF, Series I or Series D units of a Fund, such series of units held by you will be reclassified as Series A units of the Fund under the Initial Sales Charge Option after we provide you with 5 days’ notice unless you notify us during the notice period and we agree that you are once again eligible to hold Series F, Series QF, Series I or Series D units.

#### **Redemptions for all Series of Units**

You may redeem your units of a Fund by completing a redemption request and depositing it with your registered dealer approved by us. We may require that an investor’s signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to our satisfaction. A redemption request received by the Recordkeeper before 4:00 p.m. (Eastern time) on a regular business day will receive the net asset value per unit for the applicable series of units established as of the close of business on that day. A redemption request received by the Recordkeeper after 4:00 p.m. (Eastern time) or on a day which is not a regular business day in Toronto, Ontario will receive the net asset value per unit for the applicable series of units established as of the close of business on the next regular business day. A dealer which receives a redemption request is required to transmit the redemption request to the Recordkeeper without charge to the investor and where practicable, by courier, priority post or telecommunications facility. The redemption payments will be made in Canadian dollars.

**The Recordkeeper will pay redemption proceeds within two business days after the receipt of your order, provided the written request for redemption submitted to your registered dealer is complete and your registered dealer has provided correct settlement instructions to the Recordkeeper.**

We have the right, upon 30 days’ written notice to the investor, to redeem Series A, Series F, Series QF, Series I and Series D units owned by an investor if the value of those units is less than \$500. An investor may prevent the automatic redemption by purchasing additional units to increase the value of the units to an amount equal to or greater than \$500 before the end of the 30-day notice period.

Under extraordinary circumstances, the rights of investors to redeem units of a Fund may be suspended. This would most likely occur if normal trading is suspended in the market, within or outside Canada, which represents more than 50% by value, or underlying market exposure, of the total assets of the Fund (without any allowance for liabilities) and if the assets of the Fund cannot be traded in any other market that represents a reasonably practical alternative for the Fund. The Manager may also suspend the redemption of units of a Fund with the consent of any securities commission or regulatory body having jurisdiction.

#### **Short-Term Trading**

Short-term trading in units of a Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

We have adopted certain restrictions to deter short-term trading. For example, we may restrict your purchases if you engage in such short-term trading. Our restrictions also include charging a fee of up to 1.0% of the net asset value of the units of the Fund that are redeemed or switched within 20 days of purchasing or switching them. In addition, if we detect excessive trading of your units in a Fund within 90 days of purchasing or switching them, we reserve the right to charge an additional 3% of the net asset value of the units. These fees are payable to the Fund.

The short-term trading fee will not be charged:

- (i) for a redemption of units acquired through automatic reinvestment of all distributions of net income or capital gains by the Fund;
- (ii) for a redemption of units in connection with a failed settlement of a purchase of units;
- (iii) as a result of reclassifying units of a Fund from one series into another series of the Fund;
- (iv) for a redemption of units by another investment fund or investment product approved by us;
- (v) for a redemption of units as a result of regular payments made from registered retirement income funds and locked-in retirement income funds; or
- (vi) in the absolute discretion of the Manager.

For purposes of the short-term trading fee, units will be considered to be redeemed on a first-in, first-out basis.

While these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Please see “Short Term Trading Fee” under “Fees and Expenses Payable Directly by You” on page 18.

## **OPTIONAL SERVICES**

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Making regular investments through our pre-authorized chequing plan can reduce the cost of investing, through a technique called dollar cost averaging. Investing equal amounts of money at regular intervals on an ongoing basis ensures that an investor buys fewer units when prices are high and more units when prices are low. Over time, this can mean a lower average cost per unit than by making one lump sum purchase.

### **Pre-authorized Chequing Plan**

Each series of the Funds, excluding Series QF, offers an automatic investment plan to allow investors to make regular bi-weekly, monthly, quarterly, semi-annual or annual purchases of units. The minimum initial investment in the Fund is \$500 and the minimum amount of each subsequent bi-weekly, monthly, quarterly, semi-annual or annual purchase is \$25. An investor may change the dollar amount of his or her investment, the frequency of payment or discontinue the plan by giving prior written notice to his or her registered dealer.

### **Dollar Cost Averaging Plan**

Ninepoint High Interest Savings Fund offers a dollar cost averaging service to allow investors to make regular automatic switches to other Ninepoint funds. Under this service, the investor invests a lump sum into Ninepoint High Interest Savings Fund. A fixed amount of the lump sum will automatically switch on a biweekly, monthly, semi-annual or annual basis over a one-year period into any number of Ninepoint funds pre-selected by the investor. Investors in Ninepoint High Interest Savings Fund may elect to direct a portion of their investment to automatically switch to a Fund.

### **Registered Tax Plans**

Provided the Funds qualify or are deemed to qualify as mutual fund trusts within the meaning of the Tax Act, the units of the Funds will be qualified investments under the Tax Act for registered tax plans (as defined below). We offer

registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds, locked-in retirement income funds (LRIFs), locked-in retirement accounts and tax-free savings accounts (TFSA). Annuitants of RRSPs and RRIFs, holders of TFSA and registered disability savings plans and subscribers of registered education savings plans should consult with their tax advisors as to whether units of the Funds would be prohibited investments under the Tax Act in their particular circumstances. Investors should consult their tax advisors for full particulars of the tax implications of establishing, amending and terminating registered tax plans.

## **FEES AND EXPENSES**

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This table lists the fees and expenses that you may have to pay if you invest in a Fund. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, and as a result will reduce the value of your investment in a particular Fund. Your approval will be obtained if: (i) any change is made in the basis of calculation of a fee or expense charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, in a way that could result in an increase in charges to the Fund or the series of the Fund or you; or (ii) a fee or expense is introduced which is charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, that could result in an increase in charges to the Fund, a series or you. However, in each case, if the change is a result of a change made by a third party at arm's length to the Fund or if applicable securities laws do not require the approval of investors to be obtained, we will not obtain your approval before making the change. If required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

### **Fees and Expenses Payable by the Fund**

**Management Fees** Each Fund pays the Manager an annual management fee. Management fees are unique to each series of each Fund and are subject to applicable taxes including HST. The management fee is calculated and accrued daily and is paid on the last day of each month based on the daily net asset value of the series of each Fund. The management fee for Series I units of each Fund is negotiated by the investor and paid directly by the investor, and would not exceed the management fee payable on Series A units of the Fund.

The Manager provides certain services to the Fund, including, but not limited to:

- the day-to-day management of the Funds' business and affairs
- directing the investment of the Funds' property
- developing applicable investment policies, practices, fundamental investment objectives and investment strategies including any investment restrictions
- receiving, accepting and rejecting subscriptions of units of the Funds and setting minimum initial and subsequent subscription amounts
- offering units of the Funds for sale and determining the fees in connection with the distribution of units including sales commissions, redemption fees, distribution fees and transfer fees
- authorizing all contractual arrangements relating to the Funds, including appointing the Funds' auditor, banker, recordkeeper, registrar, transfer agent and custodian
- establishing general matters of policy and establishing committees and advisory boards

To encourage large purchases in a Fund and to achieve effective management fees that are competitive for these investments, we have reduced the management fee payable by the Fund (a "management fee reduction") with respect to the Series QF units and may make reductions with respect to units held by a particular investor or the discretionary accounts of an advisor. These fees may be reduced based on a number of factors including the number and value of units held by an investor or the discretionary accounts of an advisor purchased during a specified period negotiated with such person. The amount of the reduction is negotiated with the investor or the advisor. Investors who receive the benefit of a management fee reduction with the Manager will receive a proportionately larger

distribution from the Fund (a “fee distribution”) so that those investors will receive the benefit of the lower fee. Fee distributions are paid first out of net income and net realized capital gains, and thereafter out of capital. The tax consequences of a fee distribution will generally be borne by the unitholder who receives it. All fee distributions are reinvested in additional units unless otherwise requested.

**Operating Expenses** Each Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager.

Operating expenses include, but are not limited to, brokerage commissions and fees (if applicable), taxes, audit and legal fees, member fees of the independent review committee of the Fund (the “IRC”), costs and fees in connection with the operation of the IRC (including the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisers engaged by the IRC), safekeeping, trustee and custodial fees, interest expenses, operating, administrative and systems costs (including overhead expenses of the Manager that are related to daily fund operating functions such as employee salaries, rent and utilities), investor servicing costs and costs of financial and other reports to investors, as well as prospectuses and fund facts. Operating expenses and other costs of the Fund are subject to applicable taxes including HST.

Each Ninepoint investment fund, including each Fund, pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chairman, is paid, as compensation for his services, \$21,000 per annum. The Chairman is paid \$24,500 per annum.

**Performance Fee** Each Fund pays the Manager quarterly a performance fee, subject to applicable taxes including HST, equal to a percentage of the daily net asset value of the applicable series of the Fund. In respect of the Ninepoint FX Strategy Fund and the Ninepoint Alternative Credit Opportunities Fund, the percentage will be equal to 20% and 10%, respectively, of the difference by which the return in the net asset value per unit of the applicable series from the first business day of the calendar quarter (or from inception if any series commences on a date other than the beginning of the quarter) to the last business day of the calendar quarter exceeds the high water mark per unit of such series. The net asset value includes all expenses and is calculated before income and capital gains are distributed. The performance fee is calculated and accrued daily and paid quarterly on a calendar quarter basis.

For each series of the Ninepoint FX Strategy Fund, the “high water mark” means the greater of (i) the initial net asset value per unit, or (ii) the net asset value at the end of the most recent calendar quarter for which a performance fee was paid after giving effect to all distributions in, and payments of performance fees for, such calendar quarter.

For each series of the Ninepoint Alternative Credit Opportunities Fund, the “high water mark” means the greater of (i) the initial net asset value per unit, or (ii) the net asset value at the end of the most recent calendar quarter for which a performance fee was paid after giving effect to all distributions in, and payments of performance fees for, such calendar quarter, plus 1% for the same period (or 4% annualized) (the “Hurdle Rate”). If the performance of a particular series of units of the Ninepoint Alternative Credit Opportunities Fund in any calendar quarter is negative, such negative return will be added to the subsequent calendar quarter’s high water mark for that series of units. If the performance of a particular series of units in any calendar quarter is positive, but below the Hurdle Rate, the subsequent calendar quarter’s high water mark will be the prior calendar quarter’s ending net asset value per unit of that particular series.

If any units of a Fund are redeemed prior to the end of a calendar quarter, a performance fee will be payable on the redemption date in respect of each unit, as if the redemption date were the end of the calendar quarter, in the same manner as described above. For greater certainty, the Hurdle Rate applicable to the Ninepoint Alternative Credit Opportunities Fund will be prorated in the calculation of the performance fee on a unit redeemed during the calendar quarter.

**Fund-of-Funds Fees and Expenses** When a Fund invests in another mutual fund (an “underlying fund”), the underlying fund may pay a management and performance fee and other expenses in addition to the fees and expenses payable by the Fund. However, the Fund will not pay a management or performance fee that, to a reasonable person, would duplicate a fee payable by the underlying fund(s) for the same service. In addition, the Fund will not pay any sales charges or redemption fees for its purchase or redemption of securities of any underlying fund that is a Ninepoint mutual fund, or that, to a reasonable person, would duplicate a fee payable by an investor in any underlying fund. In addition, in calculating the management expense ratio (“MER”) of each series of such Fund, the proportional MER for the underlying funds in which the Fund invests, is included in the MER calculation.

### **Fees and Expenses Payable Directly by You**

**Sales Charges** Under the Initial Sales Charge Option, a sales charge of 0-5.0% of the amount you invest may be charged if you purchase Series A units of a Fund. You can negotiate this amount with the dealer.

**Switch Fees/Reclassification Fees** A fee of 0-2.0% of the value of the units of the Funds you wish to switch or reclassify may be charged as negotiated with your dealer.

**Redemption Fees** There are no redemption fees payable upon the redemption of units of the Fund (subject to a short-term trading fee, where applicable).

**Short-Term Trading Fee** We may impose a short-term trading fee payable by you to the applicable Fund of up to 1.5% of the aggregate net asset value of the units redeemed if such units are redeemed or switched within 20 days of their date of purchase or switch. In addition, if we detect excessive trading of your units in a Fund within 90 days of purchasing or switching them, we reserve the right to charge an additional 3% of the net asset value of the units.

A short term trading fee will not be charged (i) for a redemption of units acquired through automatic reinvestment of all dividends and distributions of net income or capital gains by a Fund; (ii) for a redemption of units in connection with a failed settlement of a purchase of units; (iii) as a result of reclassifying units of a Fund from one series into another series of such Fund; (iv) for a redemption of units by another investment fund or investment product approved by us; (v) for a redemption of units as a result of regular payments made from RRIFs and LRIFs; or (vi) in the absolute discretion of the Manager. For purposes of this short-term trading fee, units will be considered to be redeemed on a first-in, first-out basis.

**Pre-Authorized Chequing Plan** No fee is charged to open, close or administer an account.

**Registered Tax Plan Fees** No fee is charged to open, close or administer a Ninepoint registered tax plan. However, for other registered tax plans holding other investments in addition to units of a Fund, an annual trustee fee may apply. Please consult your advisor regarding this fee.

**Other Expenses** No other charges apply. If applicable, you may be subject to fees and expenses by your dealer.

## **IMPACT OF SALES CHARGES**

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The following table shows the amount of fees that you would have to pay under the Initial Sales Charge Option if you made an investment of \$1,000 in Series A units of the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

Sales charges may apply when you purchase Series A units. These fees can be negotiated between you and the dealer. There are no sales charges payable on Series F, Series QF, Series I or Series D units of the Fund.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option <sup>1</sup> (Series A)	\$20 <sup>2</sup>	Nil	Nil	Nil	Nil

<sup>1</sup> A short-term trading fee may be applicable if units of the Fund are redeemed or switched within a certain number of days of their date of purchase or switch. See “Short Term Trading Fee” in the chart on page 18.

<sup>2</sup> Assumes the maximum initial sales charge of 2.0% for Series A units of a Fund for each \$1,000 of investment in the Fund. The actual amount of the initial sales charge will be negotiated by you and your dealer.

## **DEALER COMPENSATION**

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Your dealer may receive two types of compensation – sales commissions and trailing commissions.

### **Sales Commissions**

For Series A units of a Fund purchased under the Initial Sales Charge Option, the dealer which distributes such units may charge you a sales commission of up to 2.0% (\$20.00 for each \$1,000 of investment) of the value of Series A units of the Fund you purchased.

There are no sales commissions payable to your dealer for Series F, Series QF, Series I or Series D units of a Fund.

### **Trailing Commissions**

Trailing commissions are paid by the Manager to dealers (including discount brokers) from management fees and are not paid by a Fund directly. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers.

#### *Series A Units*

For Series A units of a Fund, a dealer (including a discount broker) that distributes units of the Fund may receive an annual trailing commission of up to 0.50% (up to \$5.00 for each \$1,000 of investment) of the value of Series A units of the Fund held by the dealer’s clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.50% of the value of Series A units held in a Fund by the dealer’s clients.

#### *Series F and Series QF Units*

There is no trailing commission payable to your dealer by us in respect of Series F or Series QF units of a Fund. For Series F or Series QF units of the Fund, you pay a fee to your dealer for investment advice and other services.

#### *Series I Units*

For Series I units of a Fund, a dealer (including a discount broker) that distributes such units may receive an annual trailing commission based on a rate that is negotiated by the Manager and the dealer.

### *Series D Units*

For Series D units of the Ninepoint FX Strategy Fund, a dealer (including a discount broker) that distributes units of the Fund, may receive an annual trailing commission of up to 0.50% (up to \$5.00 for each \$1,000 of investment) of the value of Series D units of the Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.50% of the value of Series D units held in the Ninepoint FX Strategy Fund by the dealer's clients. For Series D units of the Ninepoint Alternative Credit Opportunities Fund, a dealer (including a discount broker) that distributes units of the Fund, may receive an annual trailing commission of up to 0.25% (up to \$2.25 for each \$1,000 of investment) of the value of Series D units of the Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.25% of the value of Series D units held in the Ninepoint Alternative Credit Opportunities Fund by the dealer's clients.

### **Marketing Support Payments**

We may from time to time pay permitted marketing and educational expenses of dealers. These include paying up to 50% of the costs of sales communications and investor seminars, up to 100% of the registration costs for financial advisors to attend third party educational conferences or seminars and up to 10% of the costs for dealers to hold educational seminars and conferences for their financial advisors.

We also pay for materials we give to dealers to help support their sales efforts. These materials include reports and commentaries on securities, the markets and the Funds. All of these payments are in compliance with applicable securities laws and regulations and will be paid by us and not the Funds.

### **Equity Interests**

The general partner of Ninepoint Partners LP, the trustee, manager and portfolio manager of the Funds 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 Ninepoint Partners LP. Ninepoint Financial Group Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of Sightline Wealth Management LP.

Each of John Wilson and James Fox indirectly own 50% of all the issued and outstanding voting securities of Ninepoint Financial Group Inc.

James Fox is a dealing representative of Sightline Wealth Management LP.

### **DEALER COMPENSATION FROM MANAGEMENT FEES**

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During the financial year ended December 31, 2018, the total cash compensation paid (sales commissions, trailing commissions, and other kinds of dealer compensation such as marketing support payments) by us to dealers who distributed securities of the Ninepoint mutual funds represented approximately 30.6% in the aggregate of the total management fees of those Ninepoint mutual funds.

### **INCOME TAX CONSIDERATIONS FOR INVESTORS**

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This section is a summary of how Canadian federal income taxes can affect your investment in a Fund. This summary assumes that you are an individual (other than a trust) and, for the purposes of the Tax Act, are resident in Canada, and hold units of a Fund as capital property. More detailed information is available in the Funds' Annual Information Form.

This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in units, based on your own particular circumstances.

This summary assumes that each Fund will be deemed to qualify as a mutual fund trust under the Tax Act effective at all material times.

## **How Your Investment Can Make Money**

Your investment in units of a Fund can earn income from:

- any earnings the Fund makes or realizes on its investments which are allocated to you in the form of distributions.
- any capital gains that you realize when you switch or redeem units of the Fund at a profit.

The tax you pay on your investment depends on whether the units are held in a registered tax plan or in a non-registered account.

### **For Units Held in a Registered Tax Plan**

If units of a Fund are held in an RRSP, RRIF, deferred profit sharing plan, registered education savings plan (“RESP”), registered disability savings plan (“RDSP”) or TFSA (collectively, “registered tax plans”), distributions from the Fund and capital gains from a disposition of the units of the Fund are generally not subject to tax under the Tax Act until withdrawals are made from the registered tax plan (withdrawals from a TFSA are not subject to tax, and RESPs and RDSPs are subject to special rules).

You should be careful not to contribute more to your registered tax plan than allowed under the Tax Act or you may have to pay a penalty tax.

### **For Units Not Held in a Registered Tax Plan**

If you hold units of the Fund outside of a registered tax plan, you must include in computing your income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or payable to you by the Fund in the year (including by way of a fee distribution), computed in Canadian dollars, whether you receive these distributions in cash or the amounts are reinvested in additional units. Gains and losses from the Fund’s investment in derivatives and short sales will be treated on income account or capital account depending on the particular circumstances, including whether they are used for hedging or non-hedging purposes. To the extent that the Fund so designates under the Tax Act, distributions of income and net taxable capital gains, paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character. CRA may not agree with the Fund’s position. If any transactions are reported by the Fund on capital account but are subsequently determined by CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and in the taxable distributions made by the Fund to investors, with the result that investors could be reassessed by CRA to increase their taxable income.

Management fees paid directly to the Manager by holders of Series I units will not be deductible by those unitholders.

### **Buying Units Before a Distribution Date**

You will be taxed on distributions of income and capital gains by a Fund, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. This may be of particular relevance to you if you purchase units late in the calendar year or before a distribution date.

### **Capital Gains and Losses When You Redeem Your Units**

If you dispose of your units, whether by switching to units of another mutual fund managed by us, redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. The adjusted cost base of your units of a series is generally calculated by adding all your investments in that series (along with sales charges) and any reinvested distributions, and then subtracting any returns of capital and the adjusted cost base attributed to any previous redemptions. Generally, one-half of a capital gain must be included in your income as a taxable capital gain and one-half of a capital loss may be used to offset taxable capital gains in accordance with the provisions of the Tax Act. A reclassification of one series of units of the Fund into another series of units of the Fund will not, by itself, result in a disposition of the units being reclassified.

**Portfolio Turnover**

A Fund's portfolio turnover rate indicates how actively the Fund's investment advisor manages its portfolio investments. The higher the Fund's portfolio turnover rate in a year, the greater the chance that you will receive a distribution from the Fund that must be included in computing your income for tax purposes for the year and the higher the trading costs of the Fund. These trading costs are an expense of the Fund and are paid out of the Fund's assets which may reduce returns. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

**WHAT ARE YOUR LEGAL RIGHTS?**

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Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and receive your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

**ADDITIONAL INFORMATION**

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***Unitholder Tax Information***

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into between Canada and the U.S. (the "IGA"), and related Canadian legislation, the Funds and/or registered dealers are required to report certain information with respect to unitholders who are U.S. residents, U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered tax plans), to CRA. The CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, in order to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "CRS"), the Funds and/or registered dealers will be required under Canadian legislation to identify and report to the CRA information relating to unitholders who are resident in a country outside of Canada and the U.S. (excluding registered tax plans). The CRA will provide that information to the tax authorities of the relevant jurisdiction that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under the CRS.

## **SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT**

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

### **FUND DETAILS**

This tells you:

- **Type of Fund:** the type of mutual fund
- **Date Series Started:** the date each series of units was first bought by the public
- **Nature of Securities Offered:** the type of securities that the Fund offers
- **Registered Tax Plan Status:** when securities of the Fund are a qualified investment for a registered tax plan
- **Management Fees:** the annual rate of management fees payable by each series of the Fund
- **Performance Fees:** the annual rate of performance fees payable by the Fund

### **WHAT DOES THE FUND INVEST IN?**

This tells you the Fund's:

- **Investment objectives:** the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in
- **Investment strategies:** how the Portfolio Manager, or sub-adviser, as applicable, tries to meet the Fund's objectives.

Each of the Funds may invest in securities of other mutual funds, including Ninepoint mutual funds, if the Portfolio Manager, or sub-adviser, as applicable, believes such investment will provide enhances portfolio diversification, a lower administrative burden to manage the Fund and/or lower costs.

### **WHAT ARE THE RISKS OF INVESTING IN THE FUND?**

This tells you the specific risks of investing in the Fund. You will find details about what each risk means under "What are the Risks of Investing in a Mutual Fund?".

### **FUND RISK CLASSIFICATION**

We identify the investment risk level of each Fund as an additional guide to help you decide whether the Fund is right for you. The investment risk level of each Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators. Using this methodology, we generally assign the risk rating based on the Fund's historical volatility risk as measured by the ten-year standard deviation. Because the Funds do not have ten years of performance history, we have imputed the return history of reference indices that are expected to reasonably approximate the standard deviation of the Funds for the ten-year history. The following chart sets out a description of the reference index or other fund used to calculate each Fund's approximate performance history.

<u>Fund</u>	<u>Reference Index</u>
Ninepoint FX Strategy Fund	Credit Suisse Managed Future Hedge Fund Index
Ninepoint Alternative Credit Opportunities Fund	100% Bloomberg Barclays Canada Aggregate Corporate TR Index Unhedged CAD

This section will help you decide whether the Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level. The Fund is assigned an investment risk rating in one of the following categories:

**Low** for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

**Low to Medium** for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

**Medium** for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large capitalization Canadian and/or international equity securities;

**Medium to High** for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

**High** for funds with a level of risk that is typically associated with investments in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets).

Although monitored on a monthly basis, we review the investment risk level of the Fund on an annual basis.

The method that we use to identify the investment risk level of the Fund is available on request, at no cost, by calling us at 1-866-299-9906 or by sending an email to [invest@ninepoint.com](mailto:invest@ninepoint.com).

**WHO SHOULD INVEST IN THIS FUND?**

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

**DISTRIBUTION POLICY**

This tells you how often you will receive distributions or dividends (as applicable) and how they are paid.

## NINEPOINT FX STRATEGY FUND

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### FUND DETAILS

Type of Fund:	Alternative Strategy
Date Fund Started:	Series A: November 8, 2019 Series F: November 8, 2019 Series QF: November 8, 2019 Series I: November 8, 2019 Series D: November 8, 2019
Nature of Securities Offered:	Series of units of a mutual fund trust
Registered Tax Plan Status:	Units are expected to be qualified investment for registered tax plans
Sub-Adviser:	P/E Global LLC, a sub-adviser based in Boston, Massachusetts.
Management Fees:	Series A: 2.25% (0.50% trailer fees) Series F: 1.75% Series QF: 1.55% Series I: Negotiated by the unitholder (up to a maximum of 2.25%) Series D: 2.00% (0.50% trailer fees)
Performance Fees:	The Fund will pay a performance fee equal to a percentage equal to 20% of the difference by which the return in the net asset value per unit of the applicable series the first business day of the calendar quarter (or from inception if any series commences on a date other than the beginning of the quarter) to the last business day of the calendar quarter exceeds the high water mark per unit of such series. The net asset value includes all expenses and is calculated before income and capital gains are distributed. The performance fee is calculated and accrued daily and paid quarterly on a calendar quarter basis.

### WHAT DOES THE FUND INVEST IN?

#### ***Investment Objectives***

The investment objective of Ninepoint FX Strategy Fund is to generate long term total returns by investing globally in FX futures on a long/short basis. To achieve the investment objective, the Sub-Adviser will utilize several investment trading methodologies collectively know as the “FX Strategy”, at the standard level of risk to invest in foreign currency futures utilizing a Bayesian statistical model to identify current drivers of currency returns.

The Fund will use derivatives, which may introduce leverage into the Fund. The Fund may also borrow cash and sell securities short. The Fund’s maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of the Fund’s net asset value, calculated on a daily basis.

**Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.**

#### ***Investment Strategies***

The Sub-Adviser shall be permitted to have exposures to the U.S. Dollar, Australian Dollar, Euro, British Pound, Japanese Yen, Canadian Dollar, Swiss Franc, Norwegian Krone, New Zealand Dollar, Swedish Krona, Brazilian Real, Mexican Peso and such other currencies as may be agreed in writing by the Manager and the Sub-Adviser. The Fund may also invest a portion of its assets in cash, money market instruments and/or treasury bills.

The Fund will invest in derivatives. A derivative is an investment that derives its value from another investment, the underlying investment, which could be a stock, a bond, currency or a market index. Derivatives exposure usually involves a contract between the Fund and another party to buy or sell an asset at a later date. Some examples of

derivatives include options, futures or forward contracts. The Fund is permitted to use derivatives by securities regulations for hedging and non-hedging purposes. The Fund may use derivatives to hedge its exposure against losses from currency fluctuations, market risks, interest rate changes or other factors. The Fund may also make investments seeking to gain exposure to securities or financial markets through the use of derivatives provided the investments are consistent with the Fund's investment objective.

The Fund will use leverage. The Fund's aggregate exposure, calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivative positions excluding any specified derivatives used for hedging purposes.

The Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value.

The Fund will not invest in real estate.

The Fund will not take legal or management control of the issuers of underlying investments.

The Fund will adhere to the principle of risk spreading with respect to its derivative trading activity.

The Fund does not have any geographical restrictions on its investments however the Sub-Adviser will not investment more than 10% of the Fund's assets in the Brazilian Real or the Mexican Peso.

#### WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Borrowing Risk
- Collateral Risk
- Concentration Risk
- Currency Risk
- Cybersecurity Risk
- Derivatives Risk
- Foreign Investment Risk
- Inflation Risk
- Interest Rate Risk
- Leverage Risk
- Market Risk
- Performance Fee Risk
- Series Risk
- Short Selling Risk
- Specific Issuer Risk
- Sub-adviser Risk
- Substantial Securityholder Risk
- Tax Risk

In addition, because the Fund is advised by the Sub-Adviser, a resident of Boston, Massachusetts, there may be difficulty in enforcing any legal rights against the Sub-Adviser because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are located outside of Canada.

#### FUND RISK CLASSIFICATION

The risk rating assigned to this Fund by the Manager is medium to high risk and it is appropriate if you have a medium to long term investment horizon.

We identify the investment risk level of the Fund as an additional guide to help you decide whether the Fund is right for you. The investment risk level of the Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators.

Using this methodology, we generally assign the risk rating based on the Fund's historical volatility risk as measured by the ten-year standard deviation. Since the Fund does not have ten years of performance history, we have used the available return history of the Fund and imputed the return history of a reference index, which is expected to reasonably approximate the standard deviation of the Fund, for the remainder of the 10-year history. The reference index is Credit Suisse Managed Future Hedge Fund Index.

#### WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors who want exposure to the capital appreciation potential of investing in fluctuations in the prices of currencies and who want to maintain a high level of liquidity of their investments.

#### DISTRIBUTION POLICY

In each taxation year, the Fund will distribute to its investors a sufficient amount of the Fund's net income and net realized capital gains so that the Fund will not pay any income tax. The net income and the net realized capital gains of the Fund will be distributed annually in December to the Fund's investors. All distributions paid to an investor of the Fund will be reinvested automatically in additional units of the Fund at the net asset value per unit without any fee.

#### FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

A table would typically outline a hypothetical example of the investor's cumulative proportional share of the fees and expenses paid by the Fund, in dollars, over the time periods indicated and assuming: (i) you invested \$1,000 for the period shown (without any sales charges); (ii) the Fund's return was 5.0% each year; and (iii) the Fund paid the same management expense ratio (MER) in each period shown as it did in its last completed financial year.

This information is not available since this Fund is new.

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

## NINEPOINT ALTERNATIVE CREDIT OPPORTUNITIES FUND

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### FUND DETAILS

Type of Fund:	Alternative Fixed Income Strategy
Date Fund Started:	Series A: November 8, 2019 Series F: November 8, 2019 Series QF: November 8, 2019 Series I: November 8, 2019 Series D: November 8, 2019
Nature of Securities Offered:	Series of units of a mutual fund trust
Registered Tax Plan Status:	Units are expected to be qualified investments for registered tax plans
Management Fees:	Series A: 1.30% (0.50% trailer fees) Series F: 0.80% Series QF: 0.70% Series I: Negotiated by the unitholder (up to a maximum of 1.30%) Series D: 1.05% (0.25% trailer fees)
Performance Fees:	The Fund will pay a performance fee equal to a percentage equal to 10% of the difference by which the return in the net asset value per unit of the applicable series from the first business day of the calendar quarter (or from inception if any series commences on a date other than the beginning of the quarter) to the last business day of the calendar quarter exceeds the high water mark per unit. The net asset value includes all expenses and is calculated before income and capital gains are distributed. The performance fee is calculated and accrued daily and paid quarterly on a calendar quarter basis.
Distributions:	Monthly distributions of net income and annual distributions of net realized capital gains, if any.

### WHAT DOES THE FUND INVEST IN?

#### ***Investment Objectives***

The investment objective of the Ninepoint Alternative Credit Opportunities Fund is to provide investors with income and capital appreciation. The Fund will seek to achieve its investment objectives by primarily investing in a diversity of Canadian, U.S. and international fixed income securities for short-term and long-term gain.

The Fund will use derivatives, which may introduce leverage into the Fund. The Fund may also borrow cash and sell securities short. The Fund's maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of the Fund's net asset value, calculated on a daily basis.

**Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.**

#### ***Investment Strategies***

The securities comprising the portfolio of the Fund (the "Portfolio") will be selected by the Manager based on its assessment of the markets and potential investment opportunities. The Fund has no geographic, industry sector, asset class or market capitalization restrictions.

The Fund will invest in derivatives. A derivative is an investment that derives its value from another investment, the underlying investment, which could be a stock, a bond, currency or a market index. Derivatives exposure usually involves a contract between the Fund and another party to buy or sell an asset at a later date. Some examples of

derivatives include options, futures or forward contracts. The Fund is permitted to use derivatives by securities regulations for hedging and non-hedging purposes. The Fund may use derivatives to hedge its exposure against losses from currency fluctuations, market risks, interest rate changes or other factors. The Fund may also make investments seeking to gain exposure to securities or financial markets through the use of derivatives provided the investments are consistent with the Fund's investment objective. In addition, government bonds may be sold short to reduce interest rate risk.

The Fund may at any time hold cash, short-term money market instruments, fixed income securities (including government bonds, investment-grade corporate bonds, high-yield bonds, credit-linked notes, credit default swaps, asset swaps, asset-backed securities, mortgage-backed securities, collateralized debt, government agencies, convertible debentures and bank loans), equities (including common shares, preferred shares, trust securities), warrants, forwards, futures contracts and distressed debt securities.

In addition, the Fund may obtain exposure to securities through investing in underlying funds, including underlying mutual funds and closed-end funds managed by the Manager and/or its affiliates and associates. Underlying funds will be selected with consideration for each underlying fund's investment objectives and strategies, past performance and volatility, among other factors. It is expected that no one underlying fund will represent, at the time of purchase, more than 20% of the net assets of the Fund.

The Fund may also choose to engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 7 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions).

The Fund will use leverage. The Fund's aggregate exposure, calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivative positions excluding any specified derivatives used for hedging purposes.

The Fund expects to enter into long positions in corporate bonds while hedging the interest rate risk of those securities by taking short positions in government bonds. The short positions in the government bonds can be achieved either through short selling government bonds or by entering into short positions in government bond futures. The Fund expects to pair the short position in a government security with the corporate bond due to its effectiveness in hedging interest rate exposure of the corresponding corporate bond to mitigate risk.

The Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value (the "Short Selling Limitations"). The Fund has received relief from the principal regulator from the Short Selling Limitations listed above to permit the Fund to short sell "government securities" (as defined in NI 81-102) in excess of 50% of the Fund's net asset value provided that the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives transactions remains within the 300% of the Fund's net asset value limit prescribed by NI 81-102. The Fund will not take legal or management control of the issuers of underlying investments.

## WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

- Borrowing Risk
- Collateral Risk
- Concentration Risk
- Credit Risk
- Currency Risk
- Cybersecurity Risk
- Derivatives Risk

- Foreign Investment Risk
- Inflation Risk
- Interest Rate Risk
- Leverage Risk
- Liquidity Risk
- Market Risk
- Performance Fee Risk
- Securities Lending, Repurchase and Reverse Repurchase Transactions Risk
- Series Risk
- Short Selling Risk
- Small Company Risk
- Specific Issuer Risk
- Substantial Securityholder Risk
- Tax Risk

#### FUND RISK CLASSIFICATION

The risk rating assigned to this Fund by the Manager is low to medium risk and it is appropriate if you have a medium to long term investment horizon.

We identify the investment risk level of the Fund as an additional guide to help you decide whether the Fund is right for you. The investment risk level of the Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators.

Using this methodology, we generally assign the risk rating based on the Fund's historical volatility risk as measured by the ten-year standard deviation. Since the Fund does not have ten years of performance history, we have used the available return history of the Fund and imputed the return history of a reference index, which is expected to reasonably approximate the standard deviation of the Fund, for the remainder of the 10-year history. The reference index is 100% Bloomberg Barclays Canada Aggregate Corporate TR Index Unhedged CAD.

#### WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors who wish to invest in the income and capital appreciation potential of exposure to the fixed income markets and who want to maintain a high level of liquidity of their investments.

#### DISTRIBUTION POLICY

The Manager intends to make a monthly distribution on Series A, Series F, Series QF, Series I and Series D Units to holders of such units, out of the net income of the Fund, if any. The amount of any distributions may fluctuate and there can be no assurance that any distributions will be made in any period or of any particular amount. Purchasers should not confuse these distributions with the Fund's rate of return or yield.

In each taxation year, the Fund will distribute to its investors in all series a sufficient amount of the Fund's net income and net realized capital gains so that the Fund will not pay any income tax. The net realized capital gains of the Fund will be distributed annually in December to the Fund's investors. All distributions paid to an investor of the Fund will be reinvested automatically in additional units of the Fund at the net asset value per unit without any fee or as may be determined by the Manager unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

#### FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

A table would typically outline a hypothetical example of the investor's cumulative proportional share of the fees and expenses paid by the Fund, in dollars, over the time periods indicated and assuming: (i) you invested \$1,000 for the period shown (without any sales charges); (ii) the Fund's return was 5.0% each year; and (iii) the Fund paid the same management expense ratio (MER) in each period shown as it did in its last completed financial year.

This information is not available since this Fund is new.

See "Fees and Expenses" on page 16 for more information about the costs of investing in the Fund.

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Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll free 1-866-299-9906, or from your dealer, or via email at [invest@ninepoint.com](mailto:invest@ninepoint.com).

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Ninepoint Partners LP internet site at [www.ninepoint.com](http://www.ninepoint.com) or at [www.sedar.com](http://www.sedar.com).

**NINEPOINT FX STRATEGY FUND  
NINEPOINT ALTERNATIVE CREDIT OPPORTUNITIES FUND**

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