

# ninepoint **fx strategy fund**

*A unique liquid alt* THAT ADDS TRUE DIVERSIFICATION



**LIQUID  
ALT**

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## Portfolio Application

Uncorrelated trading on global macroeconomic and financial trends.

The **Ninepoint FX Strategy Fund** uses a systematic, quantitative, factor-based approach that combines new and historical data to predict future global currency movements, invests on a long/short basis, and offers:

- True diversification: equity-like returns with expected low-to-no correlation to public markets;
- Adaptive strategy: Actual daily returns are compared with forecast to determine the factor weightings for the next trading day, and;
- Liquid Alternative Structure: Combines the diversification effect of alternative investing with the freedom of daily liquidity. Available to accredited and non-accredited investors.

## Manager Approach

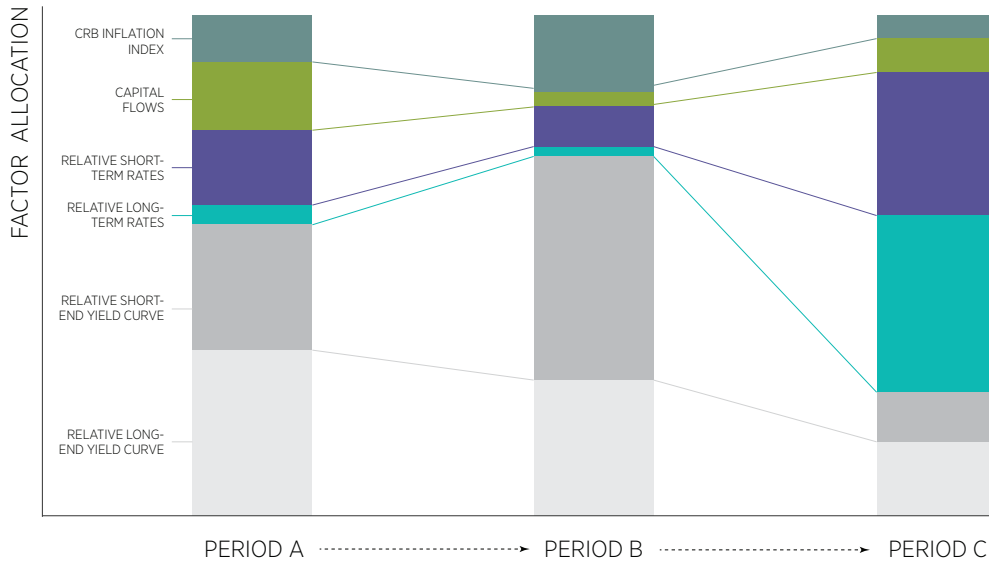
### 1. Analyze 7 target factors.

Supported by extensive research, explainable economic rationale, and proven economic principles, the Ninepoint FX Strategy Fund isolates 7 distinct factors which it analyzes to uncover opportunities across 15 different currencies, plus gold:

<i>Influencing Factors:</i>	<b>Capital inflows</b>	<b>Economic surprise</b>	<b>Inflation index</b>	<b>Relative long-term rates</b>	<b>Relative short-term rates</b>	<b>Relative long end yield curve</b>	<b>Relative short end yield curve</b>
<i>Description</i>	Movement of money flows between currencies	Difference between economic releases and consensus market expectations	Overall direction of commodity prices	10 year bond yield	One month risk free rate	Difference between one year bond yield and 10 year bond yield	Difference between one month risk free rate and the one year bond yield

## 2. Predict returns and volatilities. Adjust model for new information.

In response to market conditions, the weights of the factors used in the quantitative model change over time, giving more weight to the proven, relevant ideas:



## 3. Optimize portfolio currency weightings.

Using a statistical, model-based approach that combines new and historical data, global currency futures are traded long and short in the Fund to both capitalize on and defend against economic, financial, and political market conditions.

CURRENCIES TRADED BASED ON THE SEVEN FACTORS:



### WHY CURRENCY FUTURES?

#### CURRENCY FUTURES:

- Are even more liquid than trading the underlying currencies
- Are traded through extended sessions improving manager flexibility
- Only require USD collateral which makes it easier to fund trades

### A Liquid Alternative Structure

Daily liquidity. Tremendous trading flexibility.

- Access to an institutional-caliber investment strategy,
- Asset class that may provide low long-term correlation to equities and bonds, and
- Provides daily liquidity.

## FOREX MARKET FACTS

# \$6T

OVER \$6 TRILLION  
TRADED DAILY

# 88%

88% OF FOREX TRADES HAVE  
THE USD ON ONE SIDE  
OF THE TRADE

# 25x

FX TRADING VOLUME IS OVER  
25X GREATER THAN EQUITIES

# 24hrs

CURRENCY MARKETS ARE  
OPEN 24 HOURS A DAY

Source: 2019 BIS Triennial Central  
Bank Survey, NASDAQ

## The Liquidity of Forex

The foreign exchange market is the largest in the world.

The robust size and liquidity of the forex market ensures that it can easily handle large increases in trading volume without experiencing significant changes in price. Equity markets, in contrast, tend to be more vulnerable to price volatility caused by sharp changes in trading volume.

## P/E GLOBAL LLC

### INSTITUTIONAL EXPERIENCE

- The Fund's sub-advisor, P/E Global LLC, is a Boston-based quantitative manager, founded in 1995 by Warren Naphtal, J. Richard Zecher and Mary Stephens Naphtal.
- Approximately USD 9 billion in assets under management.
- Investment team comprised of quantitative finance professionals, data scientists, economists and statisticians.
- Investors include some of the largest and most sophisticated global institutional investors.

[ninepoint.com](http://ninepoint.com)



Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Important information about these Funds, including their investment objectives and strategies, purchase options, and applicable management fees, performance fees (if any), and expenses, is contained in their prospectus or offering memorandum. Please read these documents carefully before investing. Commissions, trailing commissions, management fees, performance fees, other charges and expenses all may be associated with investing in the Funds. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

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The Ninepoint FX Strategy Fund is generally exposed to the following risks. See the simplified prospectus of the Fund for a description of these 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 Purchase Transactions Risk; Series Risk; Short Selling Risk; Small Company Risk; Specific Issuer Risk; Sub-adviser Risk; Substantial Securityholder Risk; Tax Risk.

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